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FATS AND OILS Situation

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ECONOMIC RESEARCH SERVICE

U. S. DEPARTMENT OF AGRICULTURE

Table 1.--U.S. Fats and Oils Situation at a Glance

Item	Unit	Marketing year total or average		1973		1974			
		1971-72	1972-73 Preliminary	April	May	February	March	April	May
SOYBEANS (Year beg. Sept.)									
U.S. average price received by farmers	$ bu.	3.03	4.37	6.14	8.27	6.07	5.96	5.15	5.21
U.S. support price	$ bu.	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Price, No. 1 yellow, Illinois points	$ bu.	3.24	6.22	6.52	8.94	6.35	6.29	5.59	5.47
Price, No. 2 yellow, f.o.b., Gulf	$ bu.	3.45	6.32	6.92	9.55	6.63	6.53	5.81	5.71
Price, No. 2 yellow, f.o.b., Baltimore	$ bu.	3.46	6.35	6.86	9.50	6.61	6.60	5.91	5.76
Receipts at mills	Mil. bu.	716.3	714.4	42.1	42.3	74.4	66.1	52.7	57.2
Crushings	Mil. bu.	720.5	721.8	58.2	61.7	70.4	75.8	69.6	71.6
Oil yield per bushel crushed	Lb.	10.98	10.59	10.61	10.63	10.67	10.54	10.78	10.88
Meal yield per bushel crushed	Lb.	47.43	47.01	46.81	47.00	47.07	46.54	47.29	47.26
Stocks at mills, end of month	Mil. bu.	38.1	30.7	107.9	88.5	123.0	112.3	95.5	81.1
Exports	Mil. bu.	416.8	479.5	45.5	41.0	57.0	59.9	62.0	43.5
SOYBEAN OIL (Year beg. Oct.)									
Production	Mil. lb.	7,891.5	7,501.0	618.3	655.8	751.5	809.0	750.8	778.6
Domestic disappearance	Mil. lb.	6,438.9	6,682.4	474.2	643.4	606.5	717.5	492.3	N.A.
Exports	Mil. lb.	1,398.3	1,068.2	58.2	115.2	124.9	104.7	156.2	104.9
Stocks, end of month	Mil. lb.	785.2	515.5	1,004.8	900.1	642.4	626.0	727.3	N.A.
Price, crude, Decatur	¢ lb.	11.3	16.5	15.0	17.1	36.4	30.2	28.2	29.4
SOYBEAN MEAL (Year beg. Oct.)									
Production	Thou. ton	17,024.2	16,708.8	1,363.6	1,449.3	1,657.7	1,786.1	1,646.5	1,691.4
Domestic disappearance	Thou. ton	13,110.0	11,920.5	938.6	1,045.5	1,074.4	1,124.2	1,128.0	N.A.
Exports	Thou. ton	3,805.4	4,744.8	411.9	409.0	551.1	574.5	532.2	431.8
Stocks at mills, end of month	Thou. ton	191.7	183.2	213.5	203.2	281.1	361.6	347.9	433.4
Price, 44% protein, bulk, Decatur	$ ton	90.20	229.00	203.25	314.60	160.00	147.10	117.20	109.25
Price, 49-50% protein, bulk, Decatur	$ ton	98.20	253.40	228.40	346.60	175.25	160.40	130.40	120.00
COTTONSEED (Year beg. Aug.)									
U.S. average price received by farmers	$ ton	56.80	49.50	---	---	101.00	100.00	---	---
U.S. support price, basis grade	$ ton	1/	1/	1/	1/	1/	1/	1/	1/
Receipts at mills	Thou. ton	3,977.2	5,152.6	83.6	39.8	101.6	82.8	48.1	39.3
Crushings	Thou. ton	3,959.9	4,880.1	449.6	425.8	462.5	499.0	443.3	426.5
Stocks at mills, end of month	Thou. ton	235.0	507.5	1,495.5	1,109.5	2,182.7	1,766.5	1,371.3	984.1
COTTONSEED OIL (Year beg. Aug.)									
Production	Mil. lb.	1,274.5	1,534.8	141.8	136.3	150.2	160.4	144.1	140.9
Domestic disappearance	Mil. lb.	815.3	961.2	92.7	60.4	95.2	84.2	86.2	N.A.
Exports	Mil. lb.	421.4	585.7	41.3	63.8	79.4	54.7	56.3	94.8
Stocks, end of month	Mil. lb.	203.9	190.0	220.6	232.5	177.9	198.8	200.1	N.A.
Price, crude, Valley	¢ lb.	13.2	13.7	15.3	17.8	35.0	33.0	35.1	36.8
COMMERCIAL LARD (Year beg. Oct.)									
Production	Mil. lb.	1,645.6	1,285.0	100.0	120.0	89.0	114.0	113.0	N.A.
Domestic disappearance	Mil. lb.	1,459.2	1,168.5	89.4	111.7	84.5	92.4	100.8	N.A.
Exports	Mil. lb.	170.8	126.4	10.7	5.3	13.8	11.3	8.4	21.4
Shipments to U.S. Territories	Mil. lb.	49.0	5.8	2/	2.1	1.6	2.3	1.5	N.A.
Stocks, end of month	Mil. lb.	44.0	28.4	49.1	49.9	45.4	53.3	55.7	N.A.
Price, loose, tanks, Chicago	¢ lb.	10.4	16.5	15.0	16.1	27.0	27.0	23.0	23.0
CREAMERY BUTTER (Year beg. Oct.)									
Production	Mil. lb.	1,120.8	962.0	93.7	100.3	69.0	77.4	88.1	N.A.
Domestic disappearance	Mil. lb.	1,042.7	1,030.0	82.3	84.2	70.2	67.7	66.5	N.A.
Stocks, end of month, total	Mil. lb.	178.4	94.3	125.1	139.4	50.2	58.7	80.0	97.2
Stocks, end of month, CCC	Mil. lb.	160.4	60.5	21.3	36.5	40.4	50.8	73.5	89.2
Price, 92-score, Chicago	¢ lb.	68.2	68.3	61.6	61.0	64.1	68.1	68.2	60.5
FLAXSEED (Year beg. July)									
U.S. average price received by farmers	$ bu.	2.38	3.10	4.39	4.44	10.10	10.80	9.27	8.83
U.S. support price, farm basis	$ bu.	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Price, No. 1, Minneapolis	$ bu.	2.69	3.94	4.84	5.12	10.67	11.29	9.87	8.67
Receipts at mills	Thou. bu.	20,328	17,814	1,433	1,404	500	767	1,401	714
Crushings	Thou. bu.	20,980	19,944	1,386	1,568	993	993	964	1,339
Exports	Thou. bu.	1,904	8,775	1	---	42	56	210	7
Stocks at mills, end of month	Thou. bu.	2,688	1,396	2,600	2,436	2,189	1,963	2,400	1,775
LINSEED OIL (Year beg. July)									
Production	Mil. lb.	426.0	393.4	28.5	30.2	19.6	20.1	20.0	27.1
Domestic disappearance	Mil. lb.	286.7	293.4	38.6	45.9	14.3	15.8	15.3	N.A.
Exports	Mil. lb.	65.9	263.0	14.2	10.2	10.7	3.7	3.1	4.1
Stocks, end of month	Mil. lb.	276.6	113.0	153.0	127.1	64.7	65.3	66.8	N.A.
Price, raw, Minneapolis	¢ lb.	8.9	10.3	9.5	14.0	40.2	42.6	45.0	45.0
INEDIBLE TALLOW & GREASE (Year beg. Oct.)									
Production	Mil. lb.	5,095.3	4,845.2	353.6	408.5	403.0	469.0	480.4	N.A.
Domestic disappearance	Mil. lb.	2,729.8	2,571.4	205.3	231.1	202.3	224.5	225.2	N.A.
Exports	Mil. lb.	2,446.6	2,280.2	178.2	200.7	200.8	264.2	252.5	285.5
Stocks, end of month	Mil. lb.	329.1	328.4	336.3	313.4	407.9	389.8	393.2	N.A.
Price, bleachable fancy, Chicago	¢ lb.	6.8	12.8	12.0	15.0	21.8	22.4	20.8	20.5
COCONUT OIL (Calendar year's 1969 and 1970)									
Production	Mil. lb.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Imports	Mil. lb.	677.0	716.9	36.7	61.3	25.3	45.0	48.2	N.A.
Domestic disappearance	Mil. lb.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Stocks, end of month	Mil. lb.	116.5	105.9	173.1	174.1	90.0	108.5	96.1	N.A.
Price, crude, Pacific Coast	¢ lb.	9.8	23.4	16.9	20.0	53.5	60.5	N.A.	60.0
PALM OIL (Calendar year's 1969 and 1970)									
Imports	Mil. lb.	431.1	387.1	26.5	16.5	18.8	19.7	22.0	N.A.
Domestic disappearance	Mil. lb.	342.1	402.3	55.0	32.0	24.0	29.0	9.6	N.A.
Stocks, end of month	Mil. lb.	93.5	58.1	81.6	64.8	46.7	35.1	45.4	N.A.
Price, Congo, tanks, New York	¢ lb.	10.6	14.6	9.8	9.8	28.0	N.A.	N.A.	N.A.
PEANUTS (Year beg. Aug.)									
U.S. average price received by farmers	¢ lb.	13.6	14.4	---	---	---	---	---	---
U.S. support price - Farmers' stock basis	¢ lb.	13.42	14.25	14.25	14.25	16.42	16.42	16.42	16.42
Millings, all types, Farmers' stock basis	Mil. lb.	2,650.3	2,888.3	253.5	249.7	287.9	294.6	264.1	223.1
Production of shelled edibles	Mil. lb.	1,385.6	1,503.1	128.0	125.2	150.6	156.5	146.5	126.7
Total edible uses - shelled basis	Mil. lb.	1,087.1	1,135.6	92.8	103.9	106.1	108.4	106.0	101.6
Crushings - shelled basis	Mil. lb.	612.3	638.8	55.0	60.8	45.0	47.6	43.7	39.9
Commercial stocks, end of month - FS	Mil. lb.	391.8	428.7	1,151.4	886.7	1,861.6	1,503.5	1,163.8	912.0
CCC stocks, end of month - FS	Mil. lb.	---	---	---	---	---	---	---	---
PEANUT OIL (Year beg. Aug.)									
Production	Mil. lb.	260.0	268.5	23.3	25.9	18.7	19.6	17.9	16.2
Domestic disappearance	Mil. lb.	194.7	158.3	14.1	11.5	14.3	15.9	8.9	N.A.
Exports	Mil. lb.	74.6	104.9	9.3	10.8	6.5	3.6	4.4	6.7
Stocks, end of month	Mil. lb.	32.1	37.3	32.5	35.5	26.2	26.3	30.8	N.A.
Price, crude, Southeast mills	¢ lb.	17.1	18.2	18.6	20.2	44.8	47.3	44.9	46.8

1/ No support announced. 2/ Less than 50,000 pounds. N.A.-- Not available

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SPECIAL ARTICLE:

Margarine Consumption and Prices
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SUMMARY

Because of wet weather, farmers have probably shifted some acres intended for corn and cotton this spring to soybeans. This could boost planted acreage somewhat above the 55 million acres intended as of March 1. The weather situation is similar to last year, when wet conditions caused farmers to plant about 3 million acres more soybeans than they indicated earlier. However, yield per acre is expected to be lower than earlier projected.

Soybean production could total 1,525 million bushels, about 3 percent below last year's record. With carryover added, 1974/75 supplies would total a record 1.7 billion bushels, compared with 1,627 million bushels in 1973/74. Total utilization could increase to around 1.5 billion bushels, about 4 percent above use now estimated for this season. This would fall a little short of production, leaving carryover on September 1, 1975, at around 200 million bushels.

As of June 16, planting of soybeans in the Corn Belt was only about 69 percent complete compared with 76 percent a year ago. Normally, most acreage has been planted by now. Only about 42 percent was planted in Missouri and 45 percent in Illinois. In the South, plantings also lagged in several important States. Earliest planted acreage has emerged and the stands ranged from fair to good. The first official estimate of 1974 soybean acreage for harvest will be released by USDA's Crop Reporting Board on July 11.

Soybean farm prices have declined from last winter. This spring they have averaged about $5.20 per bushel. Prices this summer will be highly sensitive to new crop developments, with sharp fluctuations possible if conditions are anything less than favorable. The season average price (weighted by marketings) for the 1973 crop is estimated at a record $5.57 per bushel, about $1.20 above last season.

Soybean supplies for this summer are adequate, and both crushings and exports for the 1973/74 crop year are heading for new records. Crushings are

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expected to total 800 million bushels, about a tenth above last year. Expanding requirements for soybean oil are a major determinant behind the heavy crush. Exports are estimated at 550 million bushels, up sharply from the 480 million of last year. Expanding requirements for soybean meal, as well as strong demand for oil, account for the large export movement. However, total utilization—at 1.4 billion bushels—will fall short of the large 1973 soybean output and carryover stocks on September 1 are expected to increase to about 190 million bushels, about 3 times last September's level. This is roughly equivalent to a 6-week supply at current usage rates and would provide some margin of safety in the event of a late crop this fall.

Domestic disappearance of soybean oil this season probably will total a record 7.3 billion pounds, nearly a tenth above the previous season. Expanding use of vegetable oils, declining lard and butter production and reduced imports of coconut and palm oils are major reasons for the heavy use of soybean oil. Exports are estimated at 1.35 billion pounds, nearly 300 million above last year. Expanding requirements for food fats, and production declines in some countries, have increased the need for U.S. soybean oil. Because of the record total disappearance, carryover stocks on October 1 are expected to increase only about 150 million pounds above the very low level last October, possibly totaling around 0.65 billion pounds. However, as a result of a continued tight world and U.S. edible fat and oil situation, soybean oil prices (crude, Decatur) are expected to remain relatively high this summer.

Domestic disappearance of soybean meal is expected to total about 13.7 million tons, about 15 percent above the previous year. Although feeding lagged earlier in the season, it subsequently picked up and is now running above year-earlier levels. Ample supplies and sharply lower prices are expected to stimulate use during the balance of the current year. Exports should approximate 5.6 million tons, about 17 percent above last year. Expanding foreign livestock and poultry industries are helping to boost our meal exports.

Soybean meal (44 percent protein, Decatur) in June has averaged around $100 per ton, the lowest in about 2 years. It probably will continue near this level but could be influenced by crop developments during the summer.

Cottonseed oil supplies for the 1973/74 marketing year total 1.8 billion pounds, about 5 percent above last season. Domestic use is expected to total 1.1 billion pounds, up nearly a fifth. Exports are not expected to quite match the 0.6 billion pounds of last year. Nevertheless, total use will be up, resulting in a smaller carryover on August 1.

Lard production is estimated at 1.2 billion pounds, about 0.1 billion below last season. Both domestic disappearance and exports will be smaller due to the shorter supplies.

FATS AND OILS SITUATION

SITUATION AND OUTLOOK

SOYBEANS

Prices Influenced by 1974 Crop Developments

Soybean prices received by farmers drifted down from $5.81 per bushel last September and have stabilized somewhat at around the $5.20 level this spring. Over the next several months they probably will fluctuate in response to unfolding 1974 crop developments. Prices are expected to remain on the high side during the anxious weather watch this summer, especially if conditions are anything less than favorable. For the entire 1973/74 season, they probably will average around $5.57 per bushel (weighted by marketings), about $1.20 above the previous record of last season.

As of June 23, plantings of soybeans in the Corn Belt were about 81 percent complete compared with 85 percent a year ago and normal of 93 percent. Missouri averaged 65 percent. Illinois, 70; Indiana, 75; and Kansas 75 percent. Illinois replanted 10 percent of acreage and soybean condition is fair to good. Soybean planting in Arkansas made good progress but at 48 percent planted lagged far behind the 1973 average of 84 percent. Louisiana was 80 percent planted, same as last year. Planting continued in Kentucky with 40 percent acreage in. However, the lag in plantings could detrimentally affect yields per acre.

Corn planting was virtually complete in the Corn Belt. Planting in Illinois and Indiana was hampered by rain but was 95 percent complete. Iowa corn has nearly all emerged but heavy rains and erosion have reduced stands in parts of the State. Development ranged widely from just emerging late platings to up to 3 feet in southern Nebraska. Conditions fair to excellent with most areas good. Soil moisture was adequate in Western Corn Belt and adequate to surplus in the east.

Because of wet weather, farmers have probably shifted some acres intended for corn and cotton this spring to soybeans. This could boost planted acreage somewhat above the 55 million acres intended as of March 1. The weather situation is similar to last year, when wet conditions caused farmers to plant about 3 million acres more soybeans than they originally intended. However, yield per acre is expected to be lower than earlier projected. Soybean production could total 1,525 million bushels, about 3 percent below last year's record. Adding carryover, 1974/75 supplies would total 1.7 billion bushels, compared with 1,626 million bushels in 1973/74.

Total utilization could increase to around 1.5 billion bushels, or about 4 percent above use now estimated for this season. Both crushings and exports would share in the increase. A utilization of this magnitude would fall a little short of production, resulting in carryover stocks on September 1, 1975, at around 200 million bushels, up slightly from that now estimated for this coming September.

Carryover This Fall Estimated at 190 Million Bushels

Although total 1973/74 utilization is expected to increase more than a tenth to 1.4 billion bushels, carryover stocks this September 1 are expected to increase to around 190 million bushels, up sharply from the 60 million of last September. The record 1973 crop was larger than requirements, allowing for this buildup. This reverses the trend of the past 4 years when total utilization exceeded production, resulting in a drawdown of stocks.

However, a carryover of this level cannot be considered excessive. In fact, when measured against current usage rates, it amounts to roughly a 1½ month's supply, not too much different from some years when actual carryover was less than half this volume. All of this carryover will be in commercial hands, as the CCC will not own or control any soybeans this year.

Through May, farmers placed 124 million bushels of 1973-crop soybeans under price support, compared with 91 million last year. About 75 million bushels have been redeemed, leaving a net 49 million still under loan. Many farmers placed soybeans under government loan to obtain operating capital while waiting for anticipated higher prices. The remainder under loan likely will be redeemed this summer. There is no reseal program for 1973-crop soybeans.

Crushings to Hit 800 Million Bushels

Soybean crushings for the entire 1973/74 marketing season are expected to total a record 800 million bushels, about a tenth above last year. During September-May, crushings totaled 611 million

Table 2.--Soybeans for beans: Production, farm use, sales and value, 1950-73

Crop of --	Production	Total used for seed	Used on farms where grown		Sold	Season average price per bushel 1/	Value of --	
			For seed	Fed to livestock			Production	Sales
			--1,000 bushels--			Dollars	--1,000 dollars--	
1950	299,249	18,979	12,729	2,311	284,209	2.47	737,760	703,652
1951	283,777	19,780	12,538	2,011	269,228	2.73	773,405	733,847
1952	298,839	20,689	13,204	1,773	283,862	2.72	811,376	770,818
1953	269,169	22,900	12,837	1,358	254,974	2.72	733,271	694,715
1954	341,075	23,446	13,505	1,590	325,980	2.46	840,767	803,517
1955	373,682	25,768	15,249	1,650	356,783	2.22	830,909	793,431
1956	449,251	26,422	16,186	1,654	431,411	2.18	980,299	941,471
1957	483,425	29,531	18,211	1,460	463,754	2.07	1,002,641	961,989
1958	580,250	27,402	17,003	1,900	561,347	2.00	1,160,112	1,122,400
1959	532,899	29,292	16,920	1,512	514,467	1.96	1,046,468	1,010,320
1960	555,085	32,520	18,580	1,267	535,238	2.13	1,184,910	1,142,580
1961	678,554	33,319	19,303	1,332	657,919	2.28	1,543,909	1,497,010
1962	669,186	34,614	19,681	1,148	648,357	2.34	1,564,352	1,515,688
1963	699,165	36,011	20,117	898	678,150	2.51	1,755,076	1,702,293
1964	700,921	40,285	21,219	853	678,849	2.62	1,836,441	1,778,649
1965	845,608	42,752	21,970	852	822,786	2.54	2,151,305	2,093,147
1966	928,481	47,110	23,322	949	904,210	2.75	2,553,612	2,486,932
1967	976,439	48,563	23,092	921	952,426	2.49	2,433,519	2,373,695
1968	1,106,958	47,302	21,301	873	1,084,784	2.43	2,688,571	2,634,748
1969	1,133,129	48,533	20,260	885	1,111,975	2.35	2,664,204	2,614,566
1970	1,127,100	48,105	19,411	1,074	1,106,615	2.85	3,214,710	3,156,365
1971	1,175,989	50,986	20,822	1,082	1,154,085	3.03	3,559,708	3,493,423
1972	1,270,630	60,755	22,829	1,115	1,246,686	4.37	5,550,459	5,445,680
1973 2/	1,566,518	57,898	23,358	1,463	1,541,697	5.57	8,724,231	8,586,282
1974								

1/Includes allowance for loans outstanding and purchases by the Government valued at the average loan and purchase rate, by States.

2/Preliminary.

TABLE 3.--SOYBEANS: SUPPLY, DISPOSITION, ACREAGE AND PRICE, 1965-74

ITEM	YEAR BEGINNING SEPTEMBER									
	1965	1966	1967	1968	1969	1970	1971	1972	1973 1/	1974 2/
	- - SUPPLY AND DISPOSITION - - (MILLION BUSHELS)									
SUPPLY										
STOCKS, SEPTEMBER 1	29.7	35.6	90.1	166.3	326.8	229.8	98.8	72.0	59.6	190.0
PRODUCTION	845.6	928.5	976.4	1,107.0	1,133.1	1,127.1	1,176.0	1,270.6	1,566.5	1,525.0
TOTAL SUPPLY	875.3	964.1	1,066.5	1,273.3	1,459.9	1,356.9	1,274.8	1,342.6	1,626.1	1,715.0
DISPOSITION										
CRUSHINGS	537.5	559.4	576.4	605.9	737.3	760.1	720.5	721.8	800.0	825.0
EXPORTS	250.6	261.6	266.6	286.8	432.6	433.8	416.8	479.5	550.0	585.0
SEED	42.8	47.1	48.6	47.3	48.5	48.1	51.0	60.8	86.0	90.0
FEED	.9	.9	.9	.9	.9	1.1	1.1	1.1		
RESIDUAL	7.9	5.0	7.7	5.6	10.8	15.0	13.4	19.8		
TOTAL DISPOSITION	839.7	874.0	900.2	946.5	1,230.1	1,258.1	1,202.8	1,283.0	1,436.0	1,500.0
STOCKS, AUGUST 31	35.6	90.1	166.3	326.8	229.8	98.8	72.0	59.6	190.0	215.0
	- - ACREAGE AND YIELD - - (MILLION ACRES)									
ACREAGE PLANTED	35.2	37.3	40.8	42.3	42.5	43.1	43.5	46.9	57.3	
ACREAGE HARVESTED FOR BEANS	34.4	36.5	39.8	41.4	41.3	42.2	42.7	45.7	56.4	
PERCENT HARVESTED (%)	97.7	97.9	97.5	97.9	97.2	97.9	98.2	97.4	98.4	
	(BUSHELS)									
YIELD PER ACRE HARVESTED	24.5	25.4	24.5	26.7	27.4	26.7	27.5	27.8	27.8	
	- - PRICE - - (DOLLARS)									
PRICE PER BUSHEL										
SUPPORT (U.S. FARM BASIS) 3/	2.25	2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.25
RECEIVED BY FARMERS	2.54	2.75	2.49	2.43	2.35	2.85	3.03	4.37	5.57	
NO. 1 YELLOW, ILL. PTS.	2.91	2.86	2.61	2.54	2.53	3.00	3.24	6.22		
NO. 1 YELLOW, CHICAGO	2.98	2.93	2.69	2.63	2.61	3.05	3.29	6.26		

1/ PRELIMINARY, DISPOSITION IS FORECAST. 2/ FORECAST. 3/ BEGINNING 1969 NO. 1 GRADE SOYBEANS, PRIOR YEARS NO. 2 GRADE.

bushels, 6 percent above this same period a year ago. So far, this averages to a monthly crush of around 68 million bushels, about 4 million bushels above last year. Crushings increased from a low of 41 million bushels last September to a record 76 million in March. The April-May rate was a little below this level but still was large.

The record pace this season is due primarily to increased requirements for soybean oil. Crushings are expected to continue strong over the rest of the season and run well above the 48 million-bushel average of last June-August, when the rate fell precipitously because of the tight soybean supplies.

Oil yields from processed soybeans are higher this season. The yield per bushel of soybeans is averaging around 10.7 pounds, compared with about 10.6 pounds a year ago. Soybean meal yields are averaging around 47 pounds, not much changed from the same period last year.

Processing Margins Down From Earlier in the Season

Processing margins (based on spot prices, Decatur) through May averaged 78 cents per bushel, compared with about 40 cents for this period a year ago. However, they have fluctuated widely this season. The April average of 22 cents was down sharply from the $1.43 of last September and represented the low for the year so far. They rose in May to 31 cents. Over the rest of the marketing year, margins probably will average well below last June-August when prices for soybeans and products were at record levels. Last season's average of 59 cents was a record.

Exports at Record Pace

Soybean exports this season are running at a record level. Inspections for export through June 21 totaled 469 million bushels, about 25 million above this same period last year. Movement over the balance of the season is expected to average well above last year, when tight soybean supplies and export controls curtailed volume. For the entire marketing year, exports are expected to approximate 550 million bushels, up sharply from the 480 million of last year.

As of early June, outstanding export sales of soybeans totaled 127 million bushels. Major destinations were Western Europe and Japan. About 19 million bushels were for unknown destinations. In addition to the 127 million, there were 13 million bushels of optional origin, some of which might come from the United States.

Exports are strong due to good demand for soybean meal for use as high protein feed for expanding world livestock and poultry production. Western Europe and Japan rely heavily upon U.S. soybeans to fulfill a large portion of their high protein feed requirements and are the major markets. Japan also uses soybeans for direct manufacture into food products. This season the People's Republic of China became a major buyer of soybeans for the first time, reportedly taking about 33 million bushels. So far, around 20 million bushels of this total have been shipped. Last season the USSR took about 36 million bushels of our soybeans but has not purchased any this year. Also, heavy requirements for vegetable oil are helping soybean exports.

During the past 2 years or so, U.S. soybean exports have experienced exceptional growth, increasing by nearly 65 million bushels in 1972/73 and an anticipated additonal 70 million bushels this year. These increases were spurred by the growing demand for high protein feed concentrates and short supplies of other protein feeds. Although the world will still rely upon U.S. soybeans to supply a large part of the expanding high protein feed requirements, competition may become stiffer in 1974/75.

Increasing production of Brazilian soybeans and a rebound in Peruvian fish meal output will offer growing competition. The 1974 Brazilian soybean crop just harvested is estimated at about 250 million bushels, about a third above the previous year. Peruvian fish meal production also is expected to increase from the past year, especially if fishing proves as productive this fall as it was in the spring. Fishing will not be allowed during the summer. However, this development is not expected to significantly affect soybean exports during the current marketing year but will be an important consideration during the coming season. The record large 1973 Soviet sunflower crop is apparently resulting in reduced import requirements of protein feedstuffs in that country this marketing season. The possibility of a longshoreman's strike this fall could increase the volume of exports this summer.

SOYBEAN OIL

Prices High; Domestic Use Up Sharply

Although down from their peak of last winter, soybean oil prices (crude, Decatur) continue strong. They rose from a season low of 20½ cents per pound last November to a record high of 36½ cents in February. Subsequently, they declined and averaged around 31 cents for June. For October-June they averaged 28 cents, more than double the level for this same period a year ago.

These high prices reflect the strong demand for soybean oil, particularly here at home but also abroad, as well as limited supplies. Soybean oil production early in the season got off to a slow start, due to the limited supply of soybeans. Starting stocks also were low. Demand continued strong. Stocks on May 1 totaled 727 million pounds, down sharply from the 1 billion pounds of last May. The tight situation probably will continue over the balance of the current

Table 4.--Soybean crushings, by months, actual and percentage, 1967-73

Month	1967-68		1968-69		1969-70		1970-71		1971-72		1972-73		1973-74 1/	
	Actual	% of total	Actual	% of total	Actual	% of total	Actual	% of total	Actual	% of total	Actual	% of total	Actual	% of total
	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent
September	42.2	7.3	38.2	6.3	47.5	6.4	53.3	7.0	54.5	7.6	52.2	7.2	41.4	
October	50.4	8.7	54.7	9.0	61.8	8.4	66.8	8.8	59.5	8.3	66.8	9.3	62.8	
November	51.6	9.0	55.6	9.2	62.0	8.4	65.9	8.7	59.8	8.3	70.7	9.8	71.8	
December	50.6	8.8	52.2	8.6	63.1	8.6	68.0	8.9	64.0	8.9	69.2	9.6	72.8	
January	51.2	8.9	49.9	8.2	62.9	8.5	67.7	8.9	63.9	8.9	70.6	9.8	74.7	
February	48.6	8.4	45.0	7.4	58.8	8.0	60.1	7.9	60.2	8.4	64.8	9.0	70.4	
March	48.3	8.4	54.6	9.0	62.9	8.5	63.6	8.4	63.9	8.9	64.4	8.9	75.8	
April	44.6	7.7	50.4	8.3	62.5	8.5	63.8	8.4	58.5	8.1	58.2	8.1	69.6	
May	48.8	8.5	54.5	9.0	67.4	9.1	63.8	8.4	63.0	8.7	61.7	8.5	71.6	
June	47.5	8.2	50.6	8.4	63.7	8.6	61.1	8.0	57.1	7.9	52.2	7.2		
July	47.6	8.3	52.1	8.6	62.7	8.5	62.4	8.2	58.2	8.1	44.5	6.2		
August	44.9	7.8	48.2	8.0	62.0	8.4	63.6	8.4	57.9	7.9	46.5	6.4		
Total	576.4	100.0	605.9	100.0	737.3	100.0	760.1	100.0	720.5	100.0	721.8	100.0	2/800.0	
							Cumulative Data							
September	42.2	7.3	38.2	6.3	47.5	6.4	53.3	7.0	54.5	7.6	52.2	7.2	41.4	
October	92.6	16.1	92.9	15.3	109.4	14.8	120.1	15.8	114.0	15.9	118.9	16.5	104.2	
November	144.2	25.0	148.5	24.5	171.3	23.2	186.0	24.5	173.8	24.2	189.7	26.3	176.0	
December	194.8	33.8	200.7	33.1	234.5	31.8	254.1	33.4	237.8	33.1	258.9	35.9	248.8	
January	246.0	42.7	250.6	41.4	297.4	40.3	321.8	42.3	301.6	42.0	329.8	45.7	323.5	
February	294.6	51.1	295.6	48.8	356.3	48.3	381.9	50.2	361.8	50.4	394.3	54.7	393.9	
March	342.9	59.5	350.2	57.8	419.1	56.8	445.5	58.6	425.8	59.3	458.7	63.6	469.7	
April	387.5	67.2	400.6	66.1	481.6	65.3	509.3	67.0	484.3	67.4	516.9	71.7	539.3	
May	436.3	75.7	455.0	75.1	549.0	74.5	573.1	75.4	547.3	76.1	578.6	80.2	610.9	
June	483.8	83.9	505.6	83.4	612.7	83.1	634.1	83.4	604.4	84.0	630.8	87.4		
July	531.5	92.2	557.7	92.0	675.4	91.6	696.5	91.6	662.6	92.1	675.3	93.6		
August	576.4	100.0	605.9	100.0	737.3	100.0	760.1	100.0	720.5	100.0	721.8	100.0		

1/Preliminary. 2/Estimate.

Table 5.--Soybean exports, by months, actual and percentage, 1967-73

Month	1967-68		1968-69		1969-70		1970-71		1971-72		1972-73		1973-74 1/	
	Actual	% of total	Actual	% of total	Actual	% of total	Actual	% of total	Actual	% of total	Actual	% of total	Actual	% of total
	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent	Million bushels	Percent
September	10.3	3.8	13.9	4.9	13.3	3.1	29.9	6.9	29.2	7.0	15.0	3.1	7.5	
October	29.7	11.1	32.8	11.4	52.5	12.2	44.0	10.2	29.4	7.1	54.3	11.3	46.6	
November	39.9	15.0	50.0	17.4	53.7	12.4	45.3	10.5	47.4	11.4	61.2	12.8	74.4	
December	27.2	10.2	38.5	13.4	39.9	9.2	46.9	10.8	50.3	12.1	49.7	10.4	58.0	
January	21.8	8.2	1.2	.4	28.7	6.6	35.1	8.1	42.4	10.2	47.1	9.8	48.6	
February	18.8	7.1	11.4	4.0	31.6	7.3	33.0	7.6	35.5	8.5	54.7	11.4	57.0	
March	24.1	9.0	36.6	12.8	39.2	9.1	35.1	8.1	31.3	7.5	59.1	12.3	59.9	
April	21.6	8.1	34.3	12.0	41.2	9.5	32.8	7.6	37.3	8.9	45.5	9.5	62.0	
May	20.1	7.5	23.8	8.3	37.1	8.6	30.2	7.0	31.7	7.6	41.0	8.6	43.5	
June	18.7	7.0	14.0	4.9	38.5	8.9	35.6	8.1	31.1	7.5	26.5	5.5		
July	17.1	6.4	18.2	6.3	25.2	5.8	34.4	7.9	26.3	6.3	14.2	3.0		
August	17.3	6.6	12.1	4.2	31.6	7.3	31.3	7.2	24.9	5.9	11.0	2.3		
Total	266.6	100.0	286.8	100.0	432.6	100.0	433.8	100.0	416.8	100.0	479.5	100.0	2/550.0	
							Cumulative Data							
September	10.3	3.8	13.9	4.9	13.3	3.1	29.9	6.9	29.2	7.0	15.0	3.1	7.5	
October	40.0	15.0	46.7	16.3	65.8	15.3	73.9	17.1	58.6	14.1	69.3	14.4	54.1	
November	79.9	30.0	96.7	33.7	119.5	27.7	119.2	27.6	106.0	25.5	130.5	27.2	128.5	
December	107.2	40.2	135.2	47.1	159.4	36.9	166.1	38.4	156.3	37.6	180.2	37.6	186.5	
January	129.0	48.4	136.4	47.6	188.1	43.5	201.2	46.5	198.7	47.8	227.3	47.4	235.1	
February	147.8	55.4	147.8	51.5	219.7	50.8	234.2	54.1	234.2	56.3	282.0	58.8	292.1	
March	171.9	64.5	184.4	64.3	258.9	59.9	269.3	62.2	265.5	63.8	341.1	71.1	352.0	
April	193.4	72.5	218.7	76.3	300.1	69.4	302.1	69.8	302.8	72.7	386.6	80.6	414.0	
May	213.6	80.1	242.5	84.6	337.2	78.0	332.3	76.8	334.5	80.3	427.6	89.2	457.5	
June	232.2	87.1	256.5	89.4	375.7	86.9	367.9	84.9	365.6	87.8	454.1	94.7		
July	249.3	93.5	274.7	95.8	400.9	92.7	402.3	92.8	391.9	94.1	468.3	97.7		
August	266.6	100.0	286.8	100.0	432.6	100.0	433.8	100.0	416.8	100.0	479.5	100.0		

1/Preliminary.
2/Estimate.

marketing year. As a result, prices are expected to remain relatively high. Prices for the entire season probably will average around 29 cents per pound, compared with 16 cents the previous season.

Soybean oil supplies for the current marketing year which ends September 30 will total 9.3 billion pounds, about 12 percent above the previous season. The larger supply is due to increased output, as carryin was low.

Domestic disappearance is running at a record rate and for the entire season is expected to total 7.3 billion pounds, nearly a tenth above last season. During October-April usage totaled 4.4 billion pounds, about 10 percent above this same period last year. This is equivalent to a monthly average of about 630 million pounds, about 60 million above the average for the same period last year.

The strong domestic offtake is partly due to smaller butter and lard production and reduced imports of coconut and palm oil. Soybean oil is being used to fill this gap. Inventory buildups also probably are a factor, as users attempt to restock supplies which were depleted last summer and fall.

Soybean oil exports are estimated at 1.35 billion pounds, about a fourth above last year. During October-May, they totaled 778 million pounds, up about 1 percent. Exports lagged earlier in the season, due to tight supplies, the strong domestic offtake which was needed to replenish domestic pipelines, high prices, and logistical, shipping, and container problems at inland and export points in the United States.

However, the export demand for soybean oil is strong and movement has increased in recent months and is expected to continue heavy during the balance of the marketing year. A large part of the total volume this year will be for commercial sales. Commercial exports are estimated at about 1 billion pounds, with traditional importers such as Iran, Peru, Chile, Yugoslavia, and Pakistan being major recipients. One of the largest importers this year is Mexico. Ordinarily, Mexico imports from 10 to 30 million pounds of U.S. soybean oil but this year will take close to 200 million pounds.

The entry of Mexico as a major buyer is chiefly due to reduced production of safflower, cottonseed, copra, and sesame in that country. Sesame and copra production were affected by adverse weather, but acreage cutbacks reduced cotton and safflower production although soybean production rose to a record volume.

Exports under P.L. 480 probably will total about 0.4 billion pounds, somewhat less than last year and will represent approximately a fourth of the total volume. Major recipients under Title I include Pakistan, Tunisia, Bangladesh, and South Vietnam. Colombia, Israel, Guinea, and Cambodia will receive lesser quantities. Some of these countries also will receive soybean oil under the Title II program.

As of early June, outstanding export sales of soybean oil totaled 697 million pounds destined mainly to the European Community, Iran, Mexico, and Peru. About 188 million pounds of this total were for unknown destinations.

Because of the heavy disappearance, carryover stocks on October 1 are expected to increase only about 150 million pounds above the 516 million of last October, or about 0.65 billion pounds. This would be equivalent to a little more than a 1 month supply for domestic use.

SOYBEAN MEAL

Prices Down Sharply; Usage is Up

Soybean meal prices (44 percent protein, Decatur) declined from $192 per ton last fall to around $100 in June. Prices in June 1973 averaged $412.50 per ton. So far this season they have averaged $147, compared with $216 for the same period a year ago. This sharp drop in prices reflects a buildup in stocks resulting from increased soybean meal production and a usage rate which has not quite kept pace with the increase in output. Soybean meal stocks on June 1 totaled 433,400 tons, the most on record. Also, the sharp increase in Brazilian soybean availabilities, the partial recovery of Peruvian anchovy fishing, and the large Soviet sunflower crop are having a dampening effect upon prices. Prices over the next few months probably will continue near the lower current levels but could be influenced by 1974 soybean crop developments. For the entire season, meal may average around $100 below the $229 per ton of 1972/73.

Soybean meal supplies for the marketing year ending September 30 total 19½ million tons, about 16 percent above the previous season.

Domestic disappearance is expected to total about 13.7 million tons, an increase of nearly 2 million over last year. Usage lagged last fall when supplies were tight, prices high, and livestock-feed price ratios were poor. However, feeding rates have picked up since, reflecting lower meal prices. Use during October-April totaled 8.1 million tons, about 6 percent above this period last year. Disappearance during the balance of the season is expected to substantially exceed the level of last May-September, when protein prices were at record levels. At current levels of around $100 per ton, soybean meal is even cheaper than a corn/urea mix, a rare situation.

Exports of soybean meal through May totaled 3.9 million tons, around 7 percent above a year ago. Despite increases in world production of competing commodities, exports should hold up. For the entire season, they are estimated at about 5.6 million tons, some 830,000 tons above the previous year. Rebuilding of rundown stocks in some consuming

Table 6.--Soybean oil and meal: Quarterly supply, disposition and price, by quarters and crop years 1971-73

Item	Soybean crush	Supply			Disposition				Average price (Decatur)
		Beginning stocks	Production	Total supply	Exports	Shipments to U.S. territories	Domestic disappearance	Total	
	Million bushels	SOYBEAN OIL --Million pounds--							¢ per lb. crude
1971/72									
Oct.-Dec.	183	773	1,980	2,753	347	10	1,594	1,951	12.5
Jan.-March	188	802	2,055	2,857	337	13	1,626	1,976	11.2
Apr.-June	179	881	1,981	2,862	446	12	1,574	2,032	11.3
July-Sept.	168	830	1,875	2,705	268	8	1,644	1,920	10.1
Crop year	718	773	7,891	8,664	1,398	43	6,438	7,879	11.3
1972/73									
Oct.-Dec.	207	785	2,172	2,957	259	7	1,794	2,060	9.6
Jan.-March	200	897	2,081	2,978	334	6	1,717	2,057	12.3
Apr.-June	172	921	1,827	2,748	270	5	1,650	1,925	17.1
July-Sept.	132	823	1,420	2,243	202	2	1,523	1,727	26.7
Crop year	711	785	7,500	8,285	1,065	20	6,684	7,769	16.5
1973/74									
Oct.-Dec.	207	516	2,212	2,728	161	---	1,876	2,037	23
Jan.-March	221	691	2,358	3,049	355	---	2,068	2,423	32
Apr.-June	1/210	626	2,265	2,891	475	---	1,774	2,249	30
July-Sept.	1/182	642	1,965	2,607	359	---	1,582	1,941	29
Crop year	1/820	516	8,800	9,316	1,350	2/	7,300	8,650	29
	Million bushels	SOYBEAN MEAL --1,000 tons--							$ per ton 44%protein
1971/72									
Oct.-Dec.	183	146	4,334	4,480	1,013	23	3,300	4,336	76.38
Jan.-March	188	144	4,456	4,600	1,136	14	3,290	4,440	86.10
Apr.-June	179	160	4,229	4,389	786	12	3,402	4,200	94.93
July-Sept.	168	189	4,005	4,194	870	14	3,118	4,002	103.38
Crop year	718	146	17,024	17,170	3,805	63	13,110	16,978	90.20
1972/73									
Oct.-Dec.	207	192	4,841	5,033	1,193	12	3,610	4,815	135.40
Jan.-March	200	218	4,686	4,904	1,581	13	3,104	4,698	202.35
Apr.-June	172	206	4,039	4,245	1,269	12	2,760	4,041	310.12
July-Sept.	132	204	3,143	3,347	702	15	2,447	3,164	268.10
Crop year	711	192	16,709	16,901	4,745	52	11,921	16,718	228.99
1973/74									
Oct.-Dec.	207	183	4,856	5,039	1,315	---	3,439	4,754	173
Jan.-March	221	285	5,201	5,486	1,580	---	3,544	5,124	160
Apr.-June	1/210	362	4,975	5,337	1,430	---	3,540	4,970	107
July-Sept.	1/182	367	4,318	4,685	1,250	---	3,177	4,427	100
Crop year	1/820	183	19,350	19,533	5,575	2/	13,700	19,275	135

1/Estimated.

2/Included in domestic disappearance.

countries and price advantages resulting from currency realignments of the past year or so, as well as the reduced U.S. price should help keep exports moving at a high rate. The possibility of a longshoreman's strike this fall is another factor which could increase movement this summer.

Through early June, outstanding export sales of soybean meal totaled 2.2 million metric tons (2.3 million short tons), with most of this scheduled for Western Europe. About 0.9 million metric tons (1.0 million short tons) were for unknown destinations.

COTTONSEED

Crushings May Be Larger

Through May, about 4.7 million tons of cottonseed were bought by oil millers, representing about 90 percent of the 1973 crop. Crushings for the season ending July 31 are expected to total about 5 million tons or about 3 percent above the previous year. An unusually large carryover from the 1972 crop will tend to keep crushings up, despite smaller production of about 8 percent. Through May about 4.2 million tons were crushed, or about the same as this period a year ago.

COTTONSEED OIL

Domestic Use Up

Cottonseed oil supplies for the 1973/74 marketing year ending July 31 total 1.8 billion pounds, about 5 percent above last season. Some increase in production more than offset slightly smaller stocks. Domestic use is expected to approximate 1.1 billion pounds, about 15 percent above last year. Through April, use totaled 831 million pounds compared with 752 million for this same period a year ago. Usage is up sharply in shortening and salad oils. Despite sharply higher prices, the demand for cottonseed oil is strong and the larger supplies are being used.

Exports are estimated at 550 million pounds, down from the 588 million of last season. Through May about 470 million pounds had been shipped, about 4 percent below this same period a year ago. A large part of the exports this season are going to Mexico, Venezuela, Egypt, and Western Europe. Most of these exports are for dollar sales. Traditionally, Egypt and Western Europe have been our major buyers of cottonseed oil. However, both of these areas are taking less this year, as is Venezuela. But Mexico is taking more, due to increases in domestic consumption and decreases in production of vegetable oil. The amount, however, is not enough to offset the declines in the other sectors.

As of early June, reported outstanding export sales of cottonseed oil totaled 183 million pounds. A large part of this was destined for Egypt with smaller amounts earmarked for the Western Hemisphere and Western Europe. About 21 million pounds were for unknown destinations.

Cottonseed oil prices (crude, Valley) are high. So far this season they have ranged from a low of 19 cents per pound last November to a high of 37 cents in May and June. For the entire season they are expected to average about 31 cents per pound, a new record. This compares with 14 cents in 1972/73 and the previous record of 26 cents set in 1947/48.

LARD

Output Continues Decline; Prices Still High

Lard production during 1973/74 is expected to approximate 1.2 billion pounds, compared with 1.3 billion last season. Production during October-April totaled 753 million pounds, down from the 798 million for this same period a year ago. Continuing declines in hog slaughter and lard yields per hog account for the decrease. So far, lard yields per hog are running about 0.8 pound below those of a year ago. However, this is less of a decline than occurred last year, when yields for October-April were about 2.3 pounds below this period of the previous year. Output during the balance of the marketing year may pick up from the level of last May-September.

Domestic use of lard is expected to total around 1.1 billion pounds, down from the 1.2 billion of last season. So far, disappearance totals 638 million pounds, about a tenth below the October-April period of last season. The smaller supplies are limiting use and more could be used if available, as demand for food fats and oils is strong.

Lard exports may total around 115 million pounds, down from the 126 million of last year. So far, 98 million pounds have been exported, about the same as the October-May period of last season. About one-half of these exports have been shipped to the United Kingdom, the major foreign outlet for U.S. lard. Most of the balance has gone to Mexico, which is short in food fat supplies this year.

Lard prices (tanks, loose Chicago) this season are averaging around 24 cents per pound, compared with about 13 cents for the October-June period of a year ago. Prices have come down from a monthly average high of around 27 cents earlier in the season to about 23 cents in the later part of June. Lard prices are expected to continue high and for the season will average considerably above the 16 cents of last season.

PEANUTS

Edible Use Continues Strong; 1974 Support Increased

The 1973 peanut crop totaled a record 3.5 billion pounds (farmers' stock basis), 6 percent above the

Table 7.--Cottonseed: Production, farm disposition, price, and value, 1950-73

Year beginning August	Production	Farm disposition: Other 1/	Farm disposition: Sales to oil mills	Season average price per ton received by farmers	Value: Production	Value: Sales to oil mills	Used for planting 2/
	-- 1,000 tons --			Dollars	-- 1,000 dollars --		1,000 tons
1950	4,105	603	3,502	86.60	354,593	303,406	423
1951	6,286	740	5,546	69.30	435,891	384,383	415
1952	6,190	609	5,581	69.60	430,959	388,425	405
1953	6,748	418	6,330	52.70	355,252	333,350	346
1954	5,709	480	5,229	60.30	344,175	315,192	263
1955	6,043	487	5,556	44.60	269,262	247,601	266
1956	5,407	427	4,980	53.40	288,864	266,152	221
1957	4,609	335	4,274	51.10	235,367	218,368	188
1958	4,798	416	4,382	43.80	210,262	191,892	243
1959	5,991	486	5,505	38.80	232,115	213,512	238
1960	5,886	484	5,402	42.60	249,977	230,078	281
1961	5,978	356	5,622	51.10	305,310	287,377	254
1962	6,139	336	5,803	47.90	293,845	277,804	231
1963	6,192	341	5,851	50.70	314,219	296,808	234
1964	6,237	308	5,929	47.10	293,840	278,330	222
1965	6,087	251	5,836	46.70	284,412	272,715	153
1966	3,960	217	3,743	65.90	261,008	246,622	149
1967	3,210	193	3,017	55.20	177,406	166,664	158
1968	4,640	199	4,441	50.50	234,492	224,464	156
1969	4,068	205	3,863	41.10	167,254	158,727	158
1970	4,068	236	3,832	56.50	229,607	216,534	163
1971	4,240	233	4,007	56.80	240,930	227,787	189
1972	5,393	240	5,153	49.50	267,136	257,588	173
1973 3/	4,947	296	4,651	94.20	495,915	466,462	198

1/ Includes planting seed, exports, some sales between farms, shrinkage, losses and other uses. 2/ Used for planting crop of succeeding year. 3/ Preliminary.

Table 8.--Cottonseed oil: Supply, disposition, oil equivalent of exports of cottonseed, and price, 1950-73

Year beginning August	Supply: Production	Supply: Imports	Supply: Stocks, August 1	Supply: Total	Disposition: Exports and shipments	Disposition: Domestic disappearance	Cottonseed (oil equivalent of exports)	Price per pound tank cars, crude Valley
	-- Million pounds --							Cents
1950	1,197	---	215	1,412	61	1,184	2	20.4
1951	1,751	---	167	1,918	120	1,396	3	13.0
1952	1,825	1/	402	2,227	55	1,202	4	14.2
1953	2,074	---	971	3,045	351	1,698	5	13.4
1954	1,735	---	996	2,731	684	1,650	7	13.2
1955	1,894	---	398	2,292	634	1,375	5	12.9
1956	1,685	---	284	1,969	434	1,333	4	13.3
1957	1,438	---	202	1,640	286	1,186	2	13.4
1958	1,518	---	168	1,686	342	1,132	2	11.5
1959	1,861	---	212	2,073	522	1,263	3	10.0
1960	1,808	---	287	2,095	2/390	1,455	2	11.6
1961	1,865	---	250	2,115	2/470	3/1,430	2	12.4
1962	1,942	---	324	2,266	2/374	1,379	3	10.4
1963	1,981	---	514	2,495	2/483	1,387	3	9.9
1964	1,999	---	624	2,624	2/701	3/1,611	2	11.5
1965	1,896	---	421	2,317	354	1,662	3	12.8
1966	1,261	4/17	301	1,579	79	1,201	2	12.9
1967	1,036	5	298	1,338	52	1,129	1	12.7
1968	1,425	7	158	1,590	134	1,017	1	11.6
1969	1,282	---	440	1,722	439	1,069	8	12.0
1970	1,211	---	214	1,425	359	899	13	14.7
1971	1,275	---	167	1,442	423	815	1	13.2
1972	1,535	---	204	1,739	588	961	4	13.7
1973 5/	1,625	---	190	1,815	550	1,100	16	30.0
1974			165					

1/ Less than 500,000 pounds. 2/ Includes estimates of foreign donations not reported by Census; beginning January 1965 foreign donations reported by Census. 3/ Factory consumption figures used for years in which reported factory consumption exceeds domestic disappearance. 4/ Includes 7 million pounds imported in July 1967 not shown in Census report. 5/ Preliminary.

TABLE 9.--FOOD FATS AND OILS: SUPPLY, DISPOSITION, AND PER CAPITA DISAPPEARANCE, 1965-74

ITEM	YEAR BEGINNING OCTOBER									
	1965	1966	1967	1968	1969	1970	1971	1972 1/	1973 2/	1974 PROJECTED
					- - MILLION POUNDS - -					
STOCKS, OCTOBER 1										
BUTTER	161	68	212	197	155	171	222	178	94	68
LARD	62	64	107	94	56	60	77	44	28	38
TALLOW, EDIBLE	22	40	70	39	26	37	63	36	19	30
CORN OIL	35	55	47	41	71	60	58	70	57	42
COTTONSEED OIL	236	202	207	99	377	121	94	114	114	99
SOYBEAN OIL	297	462	596	540	415	543	773	785	516	666
PALM OIL	10	17	13	28	28	20	36	93	60	45
PEANUT OIL	18	34	31	14	17	12	24	18	18	18
SAFFLOWER OIL	35	50	60	76	61	29	29	39	31	31
SUB-TOTAL	876	992	1,343	1,128	1,206	1,054	1,376	1,377	937	1,037
FINISHED PRODUCTS 3/	197	224	256	231	217	236	236	254	206	
TOTAL FOOD FATS AND OILS	1,073	1,216	1,599	1,359	1,423	1,290	1,612	1,631	1,143	
IMPORTS										
BUTTER	4	2	2	2	2	2	2	2	57	
TALLOW, EDIBLE	1	1	2	4/	4/	4/	4/	1	1	
OLIVE OIL	47	55	60	58	63	67	67	58	65	
CORN OIL	10	2	9	8	3	1	---	4/	---	
COTTONSEED OIL	---	17	13	4/	4/	4/	---	4/	---	
PALM OIL	41	89	72	161	122	207	440	363	285	
PEANUT OIL	4/	---	4/	4/	4/	4/	4/	4/	---	
SESAME OIL	2	1	1	2	2	2	2	2	2	
TOTAL	104	167	159	231	191	279	511	426	410	
PRODUCTION										
BUTTER	1,120	1,235	1,185	1,139	1,129	1,148	1,121	962	825	
LARD	1,900	2,066	2,067	1,969	1,833	2,044	1,667	1,302	1,225	
TALLOW, EDIBLE	551	597	540	520	566	550	523	481	500	
OLEO OIL & STEARINE 5/	12	14	6	6	11	4	5	8	---	
CORN OIL	449	446	442	467	474	485	499	523	535	
COTTONSEED OIL	1,830	1,223	1,020	1,450	1,251	1,235	1,308	1,564	1,625	
SOYBEAN OIL	5,800	6,076	6,032	6,531	7,904	8,265	7,892	7,501	8,800	
PEANUT OIL	163	175	198	199	180	266	265	273	240	
SAFFLOWER OIL (ESTIMATE)	138	170	139	100	100	120	140	150	150	
SUB-TOTAL	11,963	12,001	11,629	12,381	13,448	14,117	13,420	12,764	13,900	
OILSEEDS (OIL EQUIVALENT OF EXPORTS)	2,940	3,050	3,078	3,210	5,007	4,857	4,556	5,307	6,226	
TOTAL SUPPLY	16,080	16,435	16,465	17,181	20,069	20,543	20,099	20,128	21,679	
EXPORTS AND SHIPMENTS										
BUTTER	24	7	31	37	8	27	124	18	8	
LARD	218	247	246	282	405	382	220	132	125	
TALLOW, EDIBLE	3	5	6	8	11	6	5	20	30	
OLEO OIL & STEARINE	12	14	6	6	11	4	5	8	---	
CORN OIL	---	18	25	29	34	43	49	44	50	
COTTONSEED OIL	275	78	51	141	453	373	453	584	540	
PALM OIL (RE-EXPORTS ESTIMATE)	---	---	---	---	5	5	27	29	15	
PEANUT OIL	14	6	4	28	34	60	71	111	75	
PROCESSED FOOD OILS 6/	64	76	59	61	63	67	71	67	75	
SAFFLOWER OIL (ESTIMATE)	---	---	---	---	25	20	40	40	50	
SOYBEAN OIL	948	1,105	993	899	1,449	1,782	1,440	1,088	1,350	
SUB-TOTAL	1,558	1,557	1,427	1,490	2,498	2,769	2,505	2,141	2,318	
OILSEED (OIL EQUIVALENT)										
COTTONSEED	3	2	1	1	9	12	1	3	16	
SOYBEANS	2,764	2,930	2,972	3,148	4,941	4,764	4,429	5,199	6,100	
PEANUTS (FOR CRUSHING ABROAD)	43	47	28	9	12	58	71	56	75	
SAFFLOWER	130	71	77	52	45	23	55	49	35	
SUB-TOTAL	2,940	3,050	3,078	3,210	5,007	4,857	4,556	5,307	6,226	
TOTAL EXPORTS	4,498	4,608	4,505	4,700	7,505	7,626	7,061	7,448	8,544	
DOMESTIC DISAPPEARANCE										
BUTTER	1,193	1,088	1,172	1,146	1,106	1,075	1,043	1,030	900	
LARD	1,676	1,781	1,834	1,726	1,425	1,645	1,480	1,186	1,090	
TALLOW, EDIBLE	530	563	567	526	544	518	546	479	460	
CORN OIL	439	438	432	416	454	445	439	492	500	
COTTONSEED OIL	1,590	1,157	1,090	1,031	1,052	890	834	980	1,100	
SOYBEAN OIL	4,687	4,837	5,096	5,756	6,328	6,253	6,439	6,682	7,300	
OLIVE OIL	47	55	60	58	63	67	67	58	65	
PALM OIL	34	93	57	161	125	186	355	367	285	
PEANUT OIL	133	172	211	168	151	193	200	162	165	
SAFFLOWER OIL (ESTIMATE)	123	159	124	115	107	100	90	118	100	
SESAME OIL	2	1	1	2	2	2	2	2	2	
PROCESSED FOOD OILS 6/	-64	-76	-59	-61	-63	-67	-71	-67	-75	
TOTAL	10,390	10,268	10,585	11,044	11,294	11,306	11,424	11,489	11,832	
TOTAL (CALCULATED NET) 7/	10,363	10,236	10,610	11,058	11,275	11,306	11,434	11,566	11,850	
TOTAL USE FOR FOOD 8/	10,044	10,030	10,316	10,590	10,988	11,057	11,145	11,298	11,650	
PER CAPITA DISAPPEARANCE					- - POUNDS - -					
BUTTER (FAT CONTENT)	4.9	4.4	4.7	4.6	4.4	4.2	4.1	3.9	---	
MARGARINE (FAT CONTENT)	8.3	8.6	8.5	8.5	8.7	8.7	8.9	9.0	---	
LARD (DIRECT USE)	5.7	5.4	5.4	5.2	4.5	4.6	3.7	3.5	---	
BAKING AND FRYING FATS	16.0	15.7	16.1	16.7	17.6	17.0	16.6	16.4	---	
SALAD AND COOKING OILS	13.0	12.8	13.2	14.0	15.0	15.6	16.9	17.6	---	
OTHER EDIBLE USES	2.2	2.5	2.4	2.3	2.6	2.3	2.4	2.5	---	
TOTAL (FAT CONTENT)	50.1	49.5	50.4	51.3	52.8	52.5	52.5	52.8	54	

1/ PRELIMINARY. 2/ FORECAST EXCEPT OCTOBER 1 STOCKS. 3/ SHORTENING, MARGARINE (FAT CONTENT), AND SALAD AND COOKING OILS. 4/ LESS THAN 500,000 POUNDS. 5/ REPRESENTS EXPORTS ONLY; PRODUCTION DATA ARE NOT AVAILABLE. 6/ INCLUDES EXPORTS OF PROCESSED FOOD OILS NOT CLASSIFIED BY KIND, SHORTENING AND OTHER SECONDARY FATS. 7/ ADJUSTED TO REFLECT CHANGES IN STOCKS OF FINISHED PRODUCTS. 8/ EXLCUDES FOOD FATS AND OILS USED FOR NON-FOOD PURPOSES, BUT INCLUDES NON-FOOD OILS (COCONUT AND PALM KERNEL) USED IN FOOD.

Table 10. --Fats and oils: Use in products for civilian consumption, total and per capita, United States, 1935-39 average, annual 1947-73

Calendar year	Food products: Butter (actual weight) Total	Butter Per capita	Lard (direct use) 1/ Total	Lard Per capita	Margarine (actual weight) Total	Margarine Per capita	Baking and frying fats (shortening) Total	Baking and frying fats Per capita	Salad and cooking oils 2/ Total	Salad and cooking oils Per capita	Other edible uses 3/ Total	Other edible uses Per capita	All food products 4/ Total	All food products Per capita
	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.
Average 1935-39	2,196	17.0	1,424	11.0	371	2.9	1,519	11.8	---	---	844	6.5	5,857	45.4
1947	1,600	11.2	1,792	12.6	713	5.0	1,338	9.4	---	---	988	6.9	5,986	42.0
1948	1,450	10.0	1,850	12.7	887	6.1	1,410	9.7	---	---	1,037	7.1	6,183	42.6
1949	1,549	10.5	1,744	11.8	851	5.8	1,435	9.7	---	---	1,163	7.9	6,287	42.6
1950	1,614	10.7	1,891	12.6	918	6.1	1,656	11.0	---	---	1,297	8.6	6,890	45.9
1951	1,445	9.6	1,855	12.3	996	6.6	1,365	9.0	---	---	1,168	7.7	6,366	42.1
1952	1,316	8.6	1,817	11.8	1,219	7.9	1,562	10.2	---	---	1,339	8.7	6,765	44.1
1953	1,329	8.5	1,772	11.4	1,256	8.1	1,597	10.2	---	---	1,415	9.1	6,876	44.1
1954	1,410	8.9	1,627	10.2	1,346	8.5	1,870	11.8	---	---	1,514	9.5	7,238	45.5
1955	1,460	9.0	1,639	10.1	1,323	8.2	1,863	11.5	---	---	1,704	10.5	7,447	45.9
1956	1,439	8.7	1,623	9.8	1,354	8.2	1,797	10.9	---	---	1,800	10.9	7,475	45.2
1957	1,406	8.4	1,589	9.4	1,446	8.6	1,756	10.4	---	---	1,824	10.8	7,469	44.4
1958	1,418	8.3	1,640	9.6	1,549	9.0	1,935	11.3	---	---	1,804	10.5	7,770	45.3
1959	1,371	7.9	1,536	8.8	1,604	9.2	2,196	12.6	1,486	8.5	459	2.6	8,068	46.2
1960	1,332	7.5	1,358	7.6	1,676	9.4	2,238	12.6	1,630	9.2	414	2.3	8,064	45.3
1961	1,335	7.4	1,393	7.7	1,708	9.4	2,311	12.8	1,661	9.2	361	2.0	8,173	45.1
1962	1,342	7.3	1,314	7.2	1,709	9.3	2,469	13.4	2,021	11.0	134	.7	8,399	45.7
1963	1,281	6.9	1,190	6.4	1,785	9.6	2,525	13.5	2,066	11.1	384	2.1	8,639	46.3
1964	1,297	6.9	1,193	6 3	1,835	9.7	2,598	13.7	2,249	11.9	428	2.3	8,994	47.6
1965	1,232	6.4	1,225	6.4	1,891	9.9	2,695	14.1	2,398	12.5	313	1.6	9,147	47.8
1966	1,099	5.7	1,071	5.5	2,038	10.5	3,079	15.9	2,464	12.7	465	2.4	9,615	49.7
1967	1,076	5.5	1,055	5.4	2,046	10.5	3,108	15.9	2,474	12.7	482	2.5	9,634	49.4
1968	1,117	5.7	1,106	5.6	2,130	10.8	3,211	16.3	2,665	13.5	488	2.5	10,082	51.2
1969	1,081	5.4	1,011	5.1	2,154	10.8	3,398	17.1	2,863	14.4	470	2.4	10, 33	51.9
1970	1,061	5.3	939	4.7	2,223	11.0	3,496	17.3	3,125	15.5	541	2.7	10,741	53.3
1971	1,038	5.1	880	4.3	2,264	11.1	3,429	16.8	3,215	15.7	480	2.3	10,650	52.2
1972	1,011	4.9	796	3.8	2,335	11.3	3,451	16.7	3,547	17.2	502	2.4	10,975	53.1
1973 5/	997	4.8	713	3.4	2,348	11.3	3,403	16.4	3,771	18.1	506	2.4	11,076	53.2

Calendar year	Industrial products: Soap Total	Soap Per capita	Drying oil products 6/ Total	Drying oil products Per capita	Fatty acids Total	Fatty acids Per capita	Animal feeds Total	Animal feeds Per capita	Other industrial products Total	Other industrial products Per capita	All industrial products Total	All industrial products Per capita	All products: Including only fat content of butter and margarine	All products: Per capita (fat content)
	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.	Mil. lb.	Lb.
Average 1935-39	1,638	12.8	774	6.0	---	---	---	---	440	3.4	2,852	22.2	8,709	67.5
1947	2,234	15.7	1,007	7.1	280	1.9	---	---	605	4.2	4,126	28.9	10,113	70.9
1948	2,039	14.0	1,071	7.4	276	1.9	---	---	560	3.9	3,946	27.2	10,129	69.8
1949	1,758	11.9	964	6.5	413	2.8	---	---	441	3.0	3,576	24.2	9,863	66.8
1950	1,804	12.0	1,182	7.9	501	3.4	---	---	653	4.3	4,140	27.6	11,030	73.4
1951	1,505	10.0	1,129	7.5	453	3.0	---	---	763	5.0	3,850	25.5	10,216	67.6
1952	1,352	8.8	1,010	6.6	412	2.7	---	---	819	5.3	3,593	23.4	10,358	67.5
1953	1,291	8.3	1,064	6.8	577	3.7	---	---	699	4.5	3,631	23.3	10,507	67.4
1954	1,177	7.4	1,001	6.3	521	3.3	111	.7	717	4.5	3,527	22.2	10,765	67.7
1955	1,115	6.9	1,104	6.8	606	3.8	181	1.1	834	5.1	3,840	23.7	11,287	69.5
1956	1,038	6.3	1,089	6.6	645	3.9	296	1.8	894	5.4	3,962	24.0	11,437	69.2
1957	994	5.9	1,015	6.0	737	4.4	425	2.5	783	4.7	3,959	23.5	11,428	67.9
1958	914	5.3	920	5.4	722	4.2	550	3.2	883	5.2	3,989	23.3	11,759	68.6
1959	862	4.9	910	5.2	1,150	6.6	505	2.9	808	4.7	4,235	24.3	12,303	70.5
1960	860	4.8	821	4.6	1,245	7.0	504	2.8	841	4.7	4,271	24.0	12,335	69.2
1961	830	4.6	846	4.7	1,226	6.8	502	2.8	819	4.5	4,223	23.3	12,396	68.4
1962	774	4.2	879	4.8	1,319	7.2	876	4.8	878	4.8	4,726	25.7	13,125	71.5
1963	775	4.2	866	4.6	1,408	7.6	827	4.5	920	4.9	4,796	25.7	13,435	72.1
1964	773	4.1	889	4.7	1,598	8.5	838	4.5	885	4.7	4,983	26.4	13,977	73.9
1965	706	3.7	895	4.7	1,735	9.1	717	3.8	763	4.0	4,816	25.1	13,963	72.9
1966	719	3.7	908	4.7	1,957	10.1	893	4.6	852	4.4	5,329	27.6	14,988	77.5
1967	706	3.6	844	4.3	1,893	9.7	972	5.0	819	4.2	5,234	26.8	14,668	76.2
1968	689	3.5	850	4.3	1,907	9.7	1,011	5.1	788	4.0	5,245	26.6	15,327	77.8
1969	673	3.4	728	3.7	1,943	9.8	1,078	5.4	988	5.0	5,410	27.2	15,743	79.1
1970	679	3.4	620	3.1	2,004	9.9	1,098	5.4	872	4.3	5,272	26.2	16,014	79.4
1971	677	3.3	619	3.0	1,779	8.8	1,143	5.7	1,062	5.2	5,240	25.7	15,888	77.8
1972	724	3.5	569	2.8	2,099	10.2	1,111	5.4	835	4.0	5,338	25.9	16,323	79.0
1973 5/	721	3.5	559	2.7	2,078	10.0	955	4.6	912	4.4	5,225	25.1	16,302	78.3

1/ Excludes lard used in margarine, shortening, and nonfood products. 2/ Fully processed liquid vegetable oils. Including use in mayonnaise and salad dressings, potato products, bakery products, and in fish canning, etc. Not reported separately prior to 1959. 3/ Mainly salad and cooking oils prior to 1959. Beginning with 1959 includes all food fats and oils used other than butter, lard, margarine, shortening or cooking and salad oils. 4/ Including only the fat content of butter and margarine estimated at 80-81% of total weight. 5/ Preliminary. 6/ Paints, varnishes, floor coverings, oil cloth, printing inks, core oils, synthetic resins, insulation, linings, packings, coated fabrics (other than oil cloth), caulking and other protective coatings.

previous year. Roughly one-fourth of the crop was acquired by the CCC under the loan program and diverted into crushings or export channels. Prices to growers averaged about 16 cents per pound, near support but up from the 14½ cents of last season.

Use in edible products continues strong. Through May, usage of shelled peanuts totaled 1.1 billion pounds, up about 10 percent from a year ago. The increase is due to greater use in peanut butter and salted peanuts, which is up sharply. However, use in peanut candy is down from a year ago. For the season, total use of peanuts in edible products is expected to total around 1.8 billion pounds (farmers' stock basis). This is up about a tenth from last season. In recent years, use of peanuts for edible purposes increased at an annual rate of about 3 percent.

Peanut crushings this year are down. Through May, they totaled 597 million pounds (farmers' stock basis), about 14 percent below a year ago. Crushings for the entire season probably will total around 700 million pounds compared with 850 million in 1972/73. Strong demand for CCC-owned peanuts from abroad is a major factor behind the reduced crush. Foreign interests bought U.S. peanuts aggressively this year, due to short world supplies of peanuts and other protein foods.

Peanut exports during August-May totaled 537 million pounds (farmers' stock basis), about a fourth above this same period a year ago. Canada, Western Europe, and Japan are the major buyers. Because of the strong demand, total exports may reach the 700 million-pound level, compared with 521 million last year and the previous record of 552 million exported in 1971/72.

The 1974 peanut crop will be supported at a minimum national average rate of $358.50 per ton, $30.00 above 1973. This new support is 75 percent of the peanut parity price for May 1974. Support by types is as follows: Virginia, $365; Runner, $362; Southeast Spanish, $352; Southwest Spanish, $349; and Valencia (suitable for cleaning and roasting), $365. Although this rate will not be decreased, it may be raised if changes in the parity price or supply situation by August so warrant.

Losses from price support operations for 1973-crop peanuts are expected to be less than $5 million, compared with around $58 million last year and the record $97 million in 1971.

The 1974 program differs from 1973 in several respects: (1) Peanuts found to contain visible Aspergillus flavus mold will be ineligible for support; (2) the charges assumed by producers for storage, handling, and inspection will be increased from $15 to $17 per ton; (3) Commodity Credit Corporation's minimum sales policy for diversion sales will be 100 percent of the loan level; and (4) no tolerance will be allowed in program compliance determinations relating to measured acreages.

Support will be available through loans and purchases. Loans to approved grower associations cooperating in making support available to farmers will mature on demand by CCC.

FLAXSEED

Use Hits 40-Year Low

Farm prices for flaxseed during the 1973/74 marketing year which ends June 30 were the highest of record, averaging about $8 per bushel. This was about 2½ times the price of the previous season and surpassed the previous record of $6.15 set in 1947/48. Prices for flaxseed products also set new records. Linseed oil prices (raw, tanks, Minneapolis) averaged over 35 cents per pound, compared with about 10 cents the year before. The previous record was around 30 cents for the years immediately following the end of World War II. Linseed meal prices (34 percent protein, Minneapolis) averaged $145 per ton, compared with the previous record of $132 in the preceeding season.

Tight flaxseed supplies, both in this country and abroad, mainly accounted for the sharp rise in prices. Domestic flaxseed supplies in 1973/74 were the smallest of record—totaling only 20 million bushels. This was about two-fifths below the level of the previous year. Although the 1973 crop production was about a fifth above 1972, sharply lower carryover stocks more than offset this gain. As a result, total disappearance was limited to about 18½ million bushels, the smallest in about 40 years. Almost all of this was used domestically with only a small volume exported. Domestic crushings were about 16 million bushels, about a fifth below the previous season. Exports were just over one-half million bushels, compared with about 9 million last year. As a result, carryover stocks on July 1 are calculated at below 2 million bushels, down from the nearly 4 million of July 1, 1973.

Because of tight supplies, price support loan activity in 1973/74 was down. A total of around 0.1 million bushels was placed under loan, with most of this subsequently redeemed. Last season, about a half million bushels were put under the program, also subsequently redeemed. As a result, the CCC does not own or control any flaxseed.

The support price for the 1974 flaxseed crop is $2.50 per bushel, unchanged from the previous 4 years. As in past years, the program will be carried out through farm and warehouse-stored loans and purchases except in Texas where a special purchase program is provided. The 1974 Texas flaxseed crop has been harvested and is reported to have been sold commercially mostly for movement by barge out of Corpus Christi up the Mississippi for crushing in Minnesota.

Table 11.--Peanuts (farmers' stock basis): U.S. acreage, supply, disposition, and price, crop years 1965, 1970-74

Item (Year beginning August 1)	Unit	1965	1970	1971	1972	1973 Preliminary	1974 Forecast
				Acreage and yield			
Acreage:							
Allotment 1/	thou. acres	1,613	1,613	1,613	1,613	1,612	1,612
Planted	" "	1,520	1,515	1,529	1,533	1,530	8/1,525
Harvested for nuts	" "	1,438	1,467	1,454	1,486	1,496	
% harvested	pct.	94.6	96.8	95.1	96.9	97.8	
Yield per acre harvested	lbs.	1,661	2,031	2,066	2,203	2,323	
				Supply and disposition			
Supply:							
Beginning stocks, August 1	mil. lbs.	373	353	453	392	429	
Production	" "	2,390	2,979	3,005	3,275	3,474	
Imports 2/	" "	1	2	2	2	2	
Total supply	" "	2,764	3,334	3,460	3,669	3,905	
Disposition:							
Edible use:							
Total	mil. lbs.	1,445	1,583	1,623	1,694	1,835	
Per capita	lbs.	7.4	7.8	7.9	8.2	8.7	
Crushings	mil. lbs.	517	799	814	850	700	
Seed, feed and loss	" "	152	209	79	175	245	
Total domestic disappearance	" "	2,114	2,591	2,516	2,719	2,780	
Exports	" "	238	290	552	521	700	
Total disposition	" "	2,352	2,881	3,068	3,240	3,480	
				Price and crop value			
Price:							
Parity	cents/lb.	14.5	17.0	17.9	19.0	21.9	
Support	" "	11.2	12.8	13.4	14.3	16.4	
% of parity	pct.	77	75	75	75	75	
Season average price to farmers	cents/lb.	11.4	12.8	13.6	14.5	16.2	
Value of production:	mil. dol.	272	383	408	475	563	
				CCC operations			
CCC:							
Acquisitions 3/	pct.	28	36	39	36	24	
Losses 4/	mil. dol.	44	66	5/97	6/58	7/	

1/ National minimum acreage allotment under existing legislation. 2/ Import quota. 3/ Percent of crop. 4/ Losses from diverting surplus peanuts into crushing and export channels. 5/ Excludes $15 million CCC costs of peanut butter purchases. 6/ Excludes $2 million CCC costs of peanut butter purchases. 7/ Less than $5 million. 8/ Based on March 1 intentions.

1974/75 Supplies May Increase Only Slightly

If farmers have planted as indicated by their March 1 intentions, 1974 planted acreage at 1.8 million acres would be up slightly from last year. If growing conditions are normal, production would total about 20 million bushels, a fifth above last year. Total 1974/75 supplies would be nearly 22 million bushels, about 6 percent above 1973/74.

Flaxseed crushings probably would total near 17 million bushels, up about a tenth. Exports probably would be small, possibly no more than a half million bushels. This would leave carryover stocks on July 1, 1975, at a tight 2 million bushels, or about the same as that now estimated for July 1, 1974.

It is possible that the continuing wet conditions in North Dakota and Northwest Minnesota will result in a decrease in wheat plantings and an increase in flaxseed. However, a new race of rust which appeared in 1973 in this area is a discouraging factor.

The first official estimate of 1974 flaxseed acreage planted and for harvest will be released by the Crop Reporting Board on July 11.

LINSEED OIL

Tight Supplies Constrict Use

Domestic disappearance of linseed oil during July-April totaled 205 million pounds, slightly below this same period last season. However, use over the balance of the season was expected to run well below the level of the previous year. As a result, use for the entire 1973/74 marketing year which ended June 30 probably was around 245 million pounds, down from the 293 million of last season. Tight supplies and relatively heavy exports, although down from the previous year, were factors behind the reduced domestic utilization.

Linseed oil exports during July-May totaled 122 million pounds, compared with 244 million for this same period a year ago. Exports for the entire marketing year probably were near 135 million pounds, down sharply from the 264 million of last season but still substantial in view of the tight U.S. supply situation and high prices. Furthermore, last year's exports were largely from CCC stocks. Smaller world flaxseed and linseed oil supplies were a major influence which maintained U.S. exports of linseed oil. Ordinarily, linseed oil exports total well below 100 million pounds in any given year.

As of early June, outstanding export sales of linseed oil totaled 10 million pounds. About 80 percent of this was destined for the European Community.

Stocks of linseed oil on May 1 totaled 67 million pounds, down sharply from the 153 million of May 1, 1973. The entire volume was in commerical hands as the CCC does not own any linseed oil. Carryover stocks on July 1 probably will be near 50 million pounds, down from the 113 million of July 1, 1973, and one of the lowest levels of record.

INEDIBLE TALLOW

Output Up

Inedible tallow and grease production for the 1973/74 marketing year which ends September 30 is expected to total about 5.0 billion pounds, up from the 4.9 billion of the previous year. Although cattle slaughter is running near year-ago levels, their weights are heavier. Also, output over the rest of the marketing year is expected to exceed last year's level.

Domestic use may approximate the 2.6 billion pounds of last season. So far, it is down about 2 percent. However, use during the balance of the season probably will exceed that of last year when high prices and production and marketing difficulties dislocated normal usage patterns. Except for the years 1969/70 and 1971/72—when it reached 2.7 billion pounds—domestic disappearance has been averaging near 2.6 billion pounds since 1966/67.

Exports probably will total about 2.4 billion pounds, up from the 2.3 billion of last season. So far they are up about 11 percent. Western Europe and Japan are major buyers. Movement during the rest of the marketing year may be down from the 685 million pounds of last June-September.

Tallow stocks on May 1 totaled 393 million pounds, about 17 percent above May 1, 1973. They are down some from earlier in the year when they were a little over 400 million pounds.

Tallow prices (bleachable, fancy, Chicago) are strong and have fluctuated rather widely this year. Earlier in the season they were near 15½ cents per pound, but rose to 22 cents in March. Subsequently, they have trended downward and by May were around 21 cents per pound. During October-May they averaged 19 cents, compared with 10 cents for this same period a year ago. Prices during the balance of the season are expected to continue strong and probably will average close to the 19 cents of last June-September.

Table 12.—Flaxseed: Supply, disposition, acreage and price 1961-74

Item	Year beginning July													
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973 1/	1974 6/
							Supply and disposition --Million bushels--							
Total stocks, July 1 2/	10.0	8.7	14.7	20.3	20.6	27.1	18.9	16.9	16.3	28.2	36.8	34.2	9.2	4.2
Supply of flaxseed:														
Stocks, July 1	5.3	3.6	8.4	13.1	10.9	15.3	9.3	7.0	9.8	21.8	26.8	20.1	3.5	1.6
Production	22.2	32.2	31.0	24.4	35.4	23.4	20.0	27.0	34.9	29.5	18.2	13.9	16.4	19.8
Total supply	27.5	35.8	39.4	37.5	46.3	38.7	29.3	34.0	44.7	51.3	45.0	34.0	4/20.2	21.4
Disposition of flaxseed:														
Crushings	19.0	21.0	19.4	20.8	22.7	19.7	15.9	14.4	14.4	18.9	21.0	19.9	16.0	17.2
Exports	1.5	4.3	3.6	6.5	5.3	7.5	5.0	9.7	5.7	3.3	1.9	8.8	.6	.5
Seed	2.2	2.4	2.1	2.0	1.9	1.5	1.6	2.0	2.3	1.3	.9	1.4	1.4	2.0
Residual	1.2	-.3	1.2	-2.7	1.1	.7	-.2	-1.9	.5	1.0	1.1	.4	.6	
Total disposition	23.9	27.4	26.3	26.6	31.0	29.4	22.3	24.2	22.9	24.5	24.9	30.5	18.6	19.7
Stocks, June 30	3.6	8.4	13.1	10.9	15.3	9.3	7.0	9.8	21.8	26.8	20.1	3.5	1.6	1.7
							Acreage and yield —Million acres—							
Acreage planted	3.0	3.1	3.4	3.0	2.9	2.7	2.1	2.2	2.7	3.0	1.6	1.2	1.8	
Acreage harvested	2.5	2.8	3.2	2.8	2.8	2.6	2.0	2.1	2.6	2.8	1.5	1.2	1.7	
Percent harvested (%)	83	90	94	93	97	96	95	95	96	93	94	100	94	
							--Bushels--							
Yield per acre harvested	8.8	11.5	9.8	8.6	12.8	9.1	10.1	12.9	13.4	10.4	11.8	12.1	9.5	
							—1,000 dollars—							
Value of production	72,405	91,252	85,702	68,901	99,169	67,620	59,099	75,694	92,564	70,790	43,228	43,092	130,525	
							Price --Dollars--							
Price per bushel:														
Support:														
Minneapolis basis	3.07	3.13	3.13	3.13	3.15	3.15	3.15	3.16	3.01	3/	3/	3/	3/	
U.S. farm basis	2.80	2,90	2.90	2.90	2.90	2.90	2.90	2.90	2.75	2.50	2.50	2.50	2.50	2.50
Received by farmers	3.26	2.83	2.76	2.82	2.80	2.89	2.95	2.81	2.65	2.40	2.38	3.10	7.94	
No. 1, Minneapolis	3.59	3.06	3.02	3.08	3.06	3.18	3.20	3.09	2.90	2.66	2.69	3.94	5/8.99	

1/Preliminary. Disposition forecast.
2/Includes flaxseed equivalent of linseed oil.
3/Not designated since 1970.
4/Includes imports of 0 3 million bushels.
5/July-May average.
6/Forecast.

Table 13.—Linseed oil: Supply, disposition, oil equivalent of flaxseed exports, and price, 1950-74

Year beginning July	Supply							Disposition			Flaxseed (oil equivalent of: exports) 1/	Price per pound, raw Minneapolis
	Flaxseed crushed			Stocks, July 1			Total supply	Exports and shipments	Domestic disappearance	Total disposition		
	Total crush	Linseed oil production										
		Per bushel	Total	Commercial	CCC	Total						
	Million bushels	Pounds	--Million pounds--									Cents
1950	42.3	20.0	844	116	472	588	1,432	26	728	754	57	18.8
1951	30.2	20.1	609	158	2/521	679	1,288	28	585	613	83	16.7
1952	25.2	20.1	507	176	2/499	675	1,182	3	559	562	4	15.0
1953	27.8	19.8	551	129	2/490	619	1,162	303	522	825	47	14.8
1954	32.3	19.6	632	303	42	345	977	318	521	839	162	13.6
1955	34.9	19.9	695	84	55	139	834	140	552	692	207	14.0
1956	26.2	20.3	532	142	—	142	674	78	497	575	51	13.1
1957	27.3	19.6	535	99	—	99	634	87	435	522	181	14.2
1958	22.4	20.0	448	112	—	112	560	8	455	463	125	12.9
1959	23.2	20.0	465	86	11	97	563	55	418	473	166	13.5
1960	20.0	20.0	399	90	—	90	489	24	370	394	139	12.9
1961	19.0	20.5	391	94	—	94	485	2	378	380	30	15.2
1962	21.0	20.4	428	105	—	105	533	9	394	403	87	13.0
1963	19.4	20.2	394	131	—	131	524	14	3/388	402	72	13.0
1964	20.8	20.1	418	91	53	3/144	557	20	344	364	130	13.7
1965	22.7	20.4	463	118	80	198	661	84	336	420	105	12.9
1966	19.7	20.6	405	161	80	241	646	121	329	450	149	12.8
1967	15.9	20.8	331	116	80	196	527	53	273	326	101	13.1
1968	14.4	20.8	300	121	80	201	501	77	4/275	352	197	12.1
1969	14.4	20.2	292	51	80	131	423	43	252	295	116	11.9
1970	18.9	20.2	382	49	80	129	511	53	254	307	67	9.7
1971	21.0	20.3	426	118	86	204	630	66	286	352	38	8.9
1972 5/	19.9	19.7	393	133	144	277	670	264	293	557	177	10.3
1973 6/	16.0	20.0	320	113	—	113	433	135	245	380	13	7/36.8
1974 6/				53	—	53						
1975												

1/Based on 20 pounds of linseed oil per bushel of flaxseed exported.
2/Includes 300 million pounds linseed oil (15 million bushels of flaxseed equivalent) transferred to account of Secretary pursuant to his authority under the Defense Production Act of 1950.
3/Factory consumption figures used for years in which reported factory consumption exceeds calculated domestic disappearance.
4/Estimate based on reported factory consumption.
5/Preliminary.
6/Forecast.
7/July-May average.

Table 14.--Tallow, inedible and grease: Supply, disposition and price, by months, crop years, 1958-73

Year beginning October	October	November	December	January	February	March	April	May	June	July	August	September	Total or average
	Production 1/												
	-- Million pounds --												
1958	297	236	291	268	235	267	275	268	273	260	255	289	3,214
1959	310	263	301	301	309	309	315	277	281	284	295	296	3,540
1960	304	263	274	320	263	307	267	317	289	350	309	298	3,561
1961	295	303	327	307	312	333	288	316	357	311	317	311	3,776
1962	303	310	279	341	272	343	335	349	315	346	326	310	3,829
1963	394	371	357	374	377	385	371	403	425	415	378	353	4,604
1964	405	388	413	363	359	371	375	359	395	320	343	371	4,461
1965	368	361	399	366	358	342	337	374	368	366	403	376	4,419
1966	380	399	411	408	388	420	394	404	419	364	406	374	4,766
1967	387	396	394	415	382	388	379	426	398	398	398	390	4,751
1968	432	377	362	409	378	380	386	372	364	383	374	383	4,601
1969	433	394	398	420	378	392	407	392	396	411	390	420	4,830
1970	417	434	449	434	402	504	435	420	467	401	420	470	5,252
1971	411	416	431	459	407	451	387	454	439	391	416	434	5,095
1972 2/	403	447	389	479	435	438	354	409	407	403	335	346	4,845
1973 2/	478	399	361	476	403	469	480						4/5,050
	Stocks, first of month												
1958	230	270	251	296	294	298	297	299	310	317	332	323	
1959	327	333	327	325	325	346	334	323	292	282	301	311	
1960	343	340	331	305	347	354	355	340	356	333	372	379	
1961	389	401	398	408	408	395	426	412	358	340	381	366	
1962	365	371	397	397	475	430	434	427	379	336	349	355	
1963	334	353	373	377	387	423	401	402	334	332	315	305	
1964	282	294	312	366	437	440	448	419	372	354	354	320	
1965	351	368	392	414	435	446	410	414	357	352	382	394	
1966	417	423	431	447	508	472	501	497	482	432	397	394	
1967	409	435	442	425	489	440	438	428	440	407	420	400	
1968	377	387	376	358	422	425	419	336	306	281	283	290	
1969	304	331	354	348	417	430	370	366	339	320	334	325	
1970	370	348	392	396	423	350	381	364	374	402	442	425	
1971	410	401	397	380	412	393	379	367	350	355	339	319	
1972 2/	329	317	311	341	343	392	364	336	313	326	370	363	
1973 2/	328	389	370	356	408	408	390	393					
	Exports and shipments												
1958	91	111	88	120	86	109	110	107	115	124	119	131	1,311
1959	149	131	161	152	144	158	173	152	121	148	124	106	1,718
1960	146	120	153	136	119	155	136	151	156	205	150	142	1,769
1961	134	151	169	121	157	118	124	170	180	120	136	130	1,710
1962	109	116	114	74	140	165	164	201	182	178	137	159	1,738
1963	157	160	158	168	155	232	183	274	221	262	191	176	2,338
1964	184	191	161	95	180	172	225	220	225	168	181	151	2,155
1965	166	146	197	146	155	168	143	221	145	168	171	136	1,962
1966	154	202	165	133	210	159	197	212	245	215	190	132	2,214
1967	185	186	160	152	218	176	218	168	188	167	218	177	2,212
1968	165	166	225	110	129	183	220	203	155	139	173	141	2,009
1969	139	141	163	149	134	235	180	202	230	186	146	146	2,051
1970	230	182	223	190	275	239	236	183	208	162	215	248	2,591
1971	211	213	229	205	196	222	[illegible]	229	183	207	[illegible]	187	[illegible]
1972 2/	176	230	155	245	181	232	178	201	189	168	[illegible]	185	[illegible]
1973 2/	188	210	179	189	201	265	253	285					4/2,[illegible]
	Domestic disappearance 3/												
1958	166	144	157	150	145	160	162	149	152	120	147	154	1,808
1959	155	138	142	150	143	164	153	156	169	117	161	158	1,806
1960	162	152	147	142	137	151	146	150	155	106	152	146	1,745
1961	149	156	148	186	169	183	178	201	194	150	197	183	2,093
1962	188	168	165	189	178	174	178	196	176	154	184	173	2,124
1963	218	191	195	196	187	176	188	196	206	170	196	200	2,320
1964	208	179	198	197	176	191	179	186	188	151	196	189	2,239
1965	186	191	181	199	192	210	190	210	228	168	221	217	2,393
1966	220	188	229	216	214	232	201	208	224	185	220	228	2,565
1967	177	203	252	199	215	214	172	246	243	219	200	236	2,577
1968	258	222	155	236	246	204	250	199	235	242	194	229	2,670
1969	267	232	242	203	232	217	232	218	185	211	253	230	2,721
1970	209	209	223	218	201	233	216	227	231	200	222	237	2,628
1971	209	207	220	222	229	243	228	[illegible]	252	201	242	227	[illegible]
1972 2/	240	223	205	233	206	235	208	[illegible]	208	[illegible]	[illegible]	203	[illegible]
1973 2/	231	210	199	235	203	227	226						4/[illegible]
	Price per pound, inedible tallow prime, c.a.f. delivered, Chicago												
	-- Cents --												
1958	7.6	7.6	7.2	6.8	6.5	6.8	6.7	6.6	6.4	6.0	5.7	5.8	6.6
1959	5.6	5.5	5.1	4.8	5.0	5.4	5.6	5.3	5.0	5.1	5.3	5.2	5.2
1960	5.2	5.4	5.2	5.6	6.1	6.8	7.6	7.4	5.8	5.8	5.6	5.2	6.0
1961	5.0	4.8	5.3	5.7	5.2	5.7	5.5	5.2	4.8	4.8	4.7	4.7	5.1
1962	4.8	4.9	4.7	4.7	4.7	4.8	5.1	5.2	5.3	5.4	5.3	5.4	5.0
1963	5.7	5.8	5.6	5.5	5.6	5.8	5.9	5.8	5.8	6.0	6.5	7.1	5.9
1964	7.2	7.6	8.2	7.8	8.3	8.4	8.6	8.1	7.8	7.7	7.2	7.2	7.8
1965	7.4	7.1	7.4	7.9	7.6	7.4	7.2	7.2	7.1	7.2	7.0	7.1	7.3
1966	6.5	5.8	6.1	6.1	5.7	5.2	5.2	5.2	5.0	4.9	5.0	4.9	5.5
1967	4.9	4.6	4.5	4.5	4.6	4.6	4.8	4.8	4.6	4.4	4.5	4.5	4.6
1968	4.6	4.8	4.6	4.8	4.9	5.6	6.0	6.0	6.3	6.8	7.6	7.8	5.8
1969	7.3	7.3	6.6	6.9	6.6	7.4	8.1	8.3	7.9	8.1	8.2	7.7	7.5
1970	8.3	8.0	7.2	7.1	7.6	8.0	7.8	7.6	7.4	7.2	7.3	7.2	7.6
1971	7.0	6.7	5.6	5.8	5.7	5.8	6.5	6.5	6.4	6.6	6.9	7.0	6.4
1972 2/	7.4	7.2	7.0	7.2	8.6	10.1	11.8	14.3	16.8	16.8	20.3	15.9	12.0
1973 2/	14.6	14.2	15.4	16.6	19.4	20.5	19.4						

1/ Computed production based on Census reported factory consumption, net foreign trade, and change in stocks. Census reported production 1966-69.
2/ Preliminary. 3/ Includes imports which total about 6-7 million pounds annually. 4/ Total estimated.

MARGARINE CONSUMPTION AND PRICES

by

Stanley A. Gazelle and Paul D. Velde

ABSTRACT: Margarine is the major table spread consumed in the United States and use is still expanding. Technological breakthroughs have improved its quality. This, coupled with prices lower than butter, primarily explains its expanding use. Vegetable oils are major margarine ingredients, with soybean oil the largest. Abundant supplies and favorable prices account for the increasing use of soybean oil in margarine production. To analyze variability in margarine prices, we tested the hypothesis that retail margarine prices are affected by ingredient costs and retail butter prices. A statistical analysis was conducted regressing retail margarine prices against weighted wholesale fat and oil prices and retail butter prices. The equation explained 84 percent of the annual variation in margarine prices.

KEY WORDS: Margarine, butter, vegetable oil, soybean oil, animal fats, price variation.

Margarine Consumption Continues Its Expansion

Traditionally, butter was the preferred table spread used in this country, its roots deeply embedded in our European heritage of highly developed livestock and dairy economies. Even today, many Americans insist upon using nothing but butter on their dinner table.

Over the past 40 years, however, margarine has become widely accepted as a substitute. Margarine was first developed in France in the nineteenth century in response to a prize offered by Napoleon. Due to short butter supplies and high prices, a substitute food fat was needed for his armies and for the French people. Today, margarine is the major table spread in the United States, with use about 2½ times that of butter.

Growth in Production and Use Impressive

In the early 1930's, per capita consumption of margarine averaged around 2 pounds compared with about 18 pounds for butter (actual weight). Their total of around 20 pounds accounted for nearly 50 percent of the total solid fat products used. Lard and shortening, the other two major solid fats, totaled about 22½ pounds.

Since 1950, production of margarine has increased about 2½ times, growing from 0.9 billion pounds (actual weight) to 2.4 billion in 1973. Domestic use has risen correspondingly, as most of the margarine is used at home. Per capita use rose from 6 pounds in 1950 to a little over 11 pounds in 1973. During this same period, butter output declined about 45 percent to 0.9 billion pounds. Domestic butter disappearance declined around 6 pounds to a little over 4½ pounds per person, from about 10½ pounds per person in the earlier period (tables 15 and 16).

Although significant shifts occurred in both the production and use of margarine and butter, the increase in use of margarine tended to offset the decline in the use of butter. As a result, total output of both products rose from 2.6 billion pounds to 3.3 billion, an increase of about a fourth. Domestic use rose at approximately the same rate. Per capita use

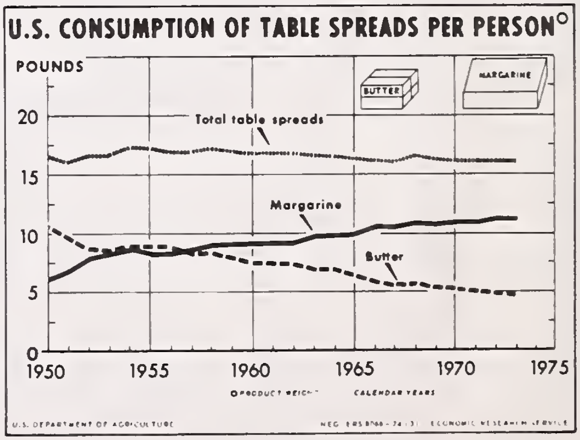

U.S. CONSUMPTION OF TABLE SPREADS PER PERSON°

Table 15—Production of solid food fats products

Calendar year	Table spreads (actual weight)			Cooking fats			Total solid food fats
	Margarine	Butter[1]	Total	Lard[2]	Shortening	Total	
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
1950	937	1,648	2,585	2,631	1,710	4,341	6,926
1955	1,334	1,545	2,879	2,660	1,975	4,635	7,514
1960	1,695	1,436	3,131	2,562	2,313	4,875	8,006
1965	1,904	1,346	3,250	2,045	2,972	4,837	8,087
1970	2,230	1,143	3,373	1,913	3,588	5,501	8,874
1971	2,290	1,144	3,434	1,960	3,515	5,475	8,909
1972	2,361	1,102	3,463	1,559	3,532	5,091	8,554
1973	2,357	922	3,279	1,254	3,445	4,699	7,978

[1] Includes production of farm butter. [2] Includes production of farm lard.

Table 16—Civilian domestic disappearance of solid food fat products

Calendar year	Table spreads (actual weight)			Cooking fats			Total solid food fats
	Margarine	Butter	Total	Lard[1]	Shortening	Total	
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
1950	918	1,614	2,532	1,891	1,656	3,547	6,079
1955	1,323	1,460	2,783	1,639	1,863	3,502	6,285
1960	1,676	1,332	3,008	1,358	2,238	3,596	6,604
1965	1,891	1,232	3,123	1,225	2,695	3,920	7,043
1970	2,223	1,061	3,284	939	3,496	4,435	7,719
1971	2,264	1,038	3,302	880	3,429	4,309	7,611
1972	2,335	1,011	3,346	796	3,451	4,247	7,593
1973[2]	2,348	997	3,345	713	3,403	4,116	7,461
	Per capita Pounds	*Per capita Pounds*	*Per capita Pounds*	*Per capita Pounds*	*Per capita Pounds*	*Per capita Pounds*	*Per capita Pounds*
1950	6.1	10.7	16.8	12.6	11.0	23.6	40.4
1955	8.2	9.0	17.2	10.1	11.5	21.6	38.8
1960	9.4	7.5	16.9	7.6	12.6	20.2	37.1
1965	9.9	6.4	16.3	6.4	14.1	20.5	36.8
1970	11.0	5.3	16.3	4.7	17.3	22.0	38.3
1971	11.1	5.1	16.2	4.3	16.8	21.1	37.3
1972	11.3	4.9	16.2	3.8	16.7	20.5	36.7
1973[2]	11.3	4.8	16.1	3.4	16.4	19.8	35.9

[1] Direct use of lard. [2] Preliminary

declined slightly from nearly 17 pounds to about 16 pounds.

Significant changes also occurred in the production and use of solid cooking fats (lard and shortening). Lard output dropped from 2.6 billion pounds in 1950 to 1.3 billion in 1973, a decline of nearly 50 percent. Lard yields per hog have been declining steadily and are one of the major factors behind lower lard production. Direct use of lard fell from nearly 2 billion pounds to around 0.7 billion, with per capita use declining from 12½ to around 3½ pounds. During this same period, shortening production doubled from 1.7 billion to 3.4 billion pounds. Domestic consumption increased at about the same rate, with per capita use increasing from around 11 to nearly 16½ pounds.

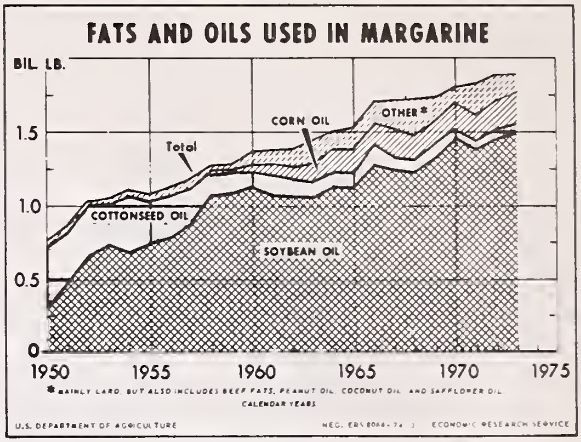
Margarine Demand and Oil Supply Expand

Several factors are responsible for the acceptance and increased use of margarine. Many consumers first became exposed to margarine and found it to their liking when restrictions were placed on butter and other food fats during World War II. Removal of Federal and State taxes and removal of restrictions on the production and use of margarine, especially colored margarine, also were effective in promoting its use. Over time, significant technological improvements have resulted in improved margarine quality, such as those relating to important characteristics like consistency, appearance, and taste. Many consumers may have switched from animal fats to vegetable compounds because of the "cholesterol" scare. Probably one of the most important reasons is related to the cheaper price. The butter-margarine price ratio in recent years has averaged around 2.7 to 1 in favor of margarine.

Growth of the margarine industry to keep pace with increasing demand was made possible by the sharp expansion in the domestic vegetable oil industry, which began during World War II. The large annual increases in soybean oil production were mainly responsible. This expanded supply of soybean oil maintained relatively low prices for the oils used in margarine production.

Today soybean oil is the major oil used in margarine production, accounting for about four-fifths of all the oils used (table 17).

Use of soybean oil increased from 0.3 billion pounds in 1950 to 1.5 billion in 1973. In 1950, cottonseed oil was the oil most used, but recently has fallen behind both corn oil and the animal fats, both of which have expanded significantly. "Corn oil" margarines are widely advertised as desirable in controlling cholestrol buildup in the blood because of their high ratio of polyunsaturated oils. Total use of all fats and oils rose from around 0.8 billion pounds to nearly 2 billion in 1973.



Except where specific qualities are an overriding consideration, vegetable oils are highly substitutable, with price playing a very important role in the kind used. In most cases, a combination of several oils is used. Because oil is the chief ingredient used in margarine production, manufacturers closely watch its price. As a result, the amount of a given oil

Table 17—Fats and oils used in the manufacture of margarine

Calendar year	Soybean oil	Cottonseed oil	Corn oil	Safflower oil	Animal fats[1]	All other fats and oils[2]	Total fats and oils
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
1950	312	418	1	---	9	24	764
1955	746	278	[3]	---	22	29	1,075
1960	1,105	136	55	---	62	9	1,367
1965	1,112	114	161	10	114	24	1,535
1970	1,410	68	185	22	99	10	1,794
1971	1,385	63	186	19	168	10	1,831
1972	1,459	65	194	20	138	7	1,883
1973	1,490	63	213	32	79	13	1,890

[1] Includes lard and beef fats. [2] Mainly peanut and coconut oils. [3] Less than 500,000 pounds.

Table 18—Wholesale prices of selected food fats

Calendar year	Soybean oil (crude Decatur)	Cottonseed oil (crude, Valley)	Corn oil (crude, midwestern mills)	Lard (tanks, loose, Chicago)	Butter (grade A, 92° bulk, Chicago)
	Cents per pound	*Cents per pound*	*Cents per pound*	*Cents per pound*	*Cents per pound*
1950	14.0	15.7	16.0	11.8	61.7
1955	11.6	12.4	13.0	10.6	57.4
1960	8.8	9.9	13.1	8.8	59.0
1965	11.2	11.6	14.0	11.7	60.2
1970	12.0	13.4	16.5	11.6	69.4
1971	12.6	15.2	19.8	10.8	68.4
1972	10.6	11.5	16.4	10.4	68.6
1973	19.8	19.5	22.6	19.8	69.8

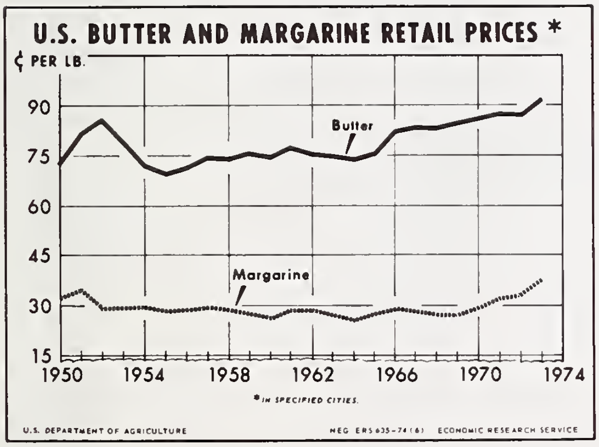
used in margarine is determined in large degree by its cost to the manufacturer relative to prices of other fats. Generally, wholesale prices of soybean oil average a little under cottonseed oil and significantly below premium oils such as corn oil. However, they run a little above prices of lard. Wholesale butter prices average well above the others, due mainly to the price support for butter.

Prices may fluctuate widely but usually follow similar trends, especially those of soybean oil, cottonseed oil, and lard. During 1970-72, prices for these three oils were relatively stable, trading in a range of 10½ cents to around 15 cents per pound. Corn oil prices averaged somewhat higher (table 18).

Retail prices of margarine average considerably below prices of butter. In recent years, the prices of both products increased sharply. In calendar year 1973, they averaged the highest of any year during the 1950-73 period (table 19).

Table 19—Average retail prices of margarine and butter (leading cities of the United States)

Calendar year	Margarine	Butter
	Cents per pound	
1950	32.8	72.9
1955	28.9	70.9
1960	26.9	74.9
1965	27.9	75.4
1970	29.8	86.6
1971	32.7	87.6
1972	33.1	87.1
1973	37.4	91.6


U.S. BUTTER AND MARGARINE RETAIL PRICES *

*IN SPECIFIED CITIES.
U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 635-74 (6) ECONOMIC RESEARCH SERVICE

Are Price Relationships Competitive?

Sharp increases in both wholesale fats and oils prices and in retail prices of butter and margarine in 1973 raised some basic questions about the relationships among competing finished products and between a finished product and the cost of its ingredients. Retail margarine prices in 1973 averaged 37.4 cents per pound, a record high. Two factors appeared to be major determinants of this higher price.

First, the prices of vegetable oils, the major ingredients in margarine, rose substantially in 1973 in response to an imbalance in the supply and demand for oils. For example prices of soybean oil, which accounted for about four-fifths of the oil used in the manufacture of margarine in 1973, averaged 19.8 cents per pound compared with 10.6 cents per pound in 1972. This increase in the ingredient cost put upward pressure on the retail price of margarine.

Second, the price of butter also increased substantially in 1973 due to a short supply. Retail butter prices averaged 91.6 cents per pound in 1973 compared with 87.1 cents in 1972. This increase in the price of butter increased the demand for margarine and strengthened the price of margarine.

To measure the impact of major ingredient prices (costs) and butter prices on the price of margarine, the following relationship was estimated:

$$\mathrm{RMP} = f(\mathrm{WOP}, \mathrm{RBP})$$

where;

RMP = retail margarine prices in cents per pound

WOP = weighted quantities and prices of the major oils (soybean, cottonseed, corn oils and lard and edible tallow) used in margarine in cents per pound

RBP = retail butter prices in cents per pound.

Statistical Results

Annual data for 1960-73 were used to estimate the coefficients in the following equation:

$$\begin{aligned} \mathrm{RMP} &= 5.03 + .6474\,\mathrm{WOP} + .2088\,\mathrm{RBP} \\ &\qquad\qquad\;\; (.158) \qquad\qquad (.077) \end{aligned}$$[1]

$$R^2 = .84$$

$$\mathrm{S.E.} = 1.31$$

The numbers in parentheses are the standard error of the regression coefficients.

Both the weighted oil price and the retail price of butter were significant in explaining variations in the retail price of margarine and the sign of the coefficient was consistent with theory in each case. The positive sign on the coefficient for the weighted oil price indicates that as the cost (price) of the ingredients increases, the price of margarine increases. The positive sign on the butter price coefficient indicates that as the price of butter increases, the price of margarine increases; this is consistent with price changes associated with a substitute product. Together, these two variables explained 84 percent of the variations in the retail price of margarine during the 1960-73 base period.

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[1] Coefficients for this equation were estimated using annual data, and therefore should not be used to estimate temporal price adjustments within a given year. If this information is desired, the equation could be reestimated based on monthly data and the use of lagged variables to capture the temporal price adjustments within a year.

Table 20 compares the actual annual average price of margarine for the period 1960-73 with the estimated price as calculated by the regression equation.

The high prices for butter, margarine, and vegetable oils which prevailed in 1973 are continuing into 1974. It would appear that the competitive price relationships among these commodities would continue to follow patterns of the past. However, other market factors, which recently have become major influences, could affect these relationships over the next year or so.

For example, the recent high prices for soybean oil may tend to influence margarine prices more than they have in past years. Also, the ending of price controls April 30, 1974, probably will have a pronounced effect upon many food prices in the months ahead. And the great supply/demand imbalances which occurred for many food items during the past year or so and which may require some time before they are fully corrected, could tend to distort the historical relationship between prices of butter, margarine, and food fats and oils in the immediate future.

Table 20—U.S. retail prices for margarine, actual and estimated

Calendar year	Actual	Estimated[1]	Difference
	Cents per pound		
1960	26.9	26.6	0.3
1961	28.6	28.7	-0.1
1962	28.4	27.0	1.4
1963	27.5	26.7	0.8
1964	26.0	26.7	-0.7
1965	27.9	28.3	-0.4
1966	28.7	30.1	-1.4
1967	28.6	28.9	-0.3
1968	27.9	28.3	-0.4
1969	27.8	29.0	-1.2
1970	29.8	31.5	-1.7
1971	32.7	31.9	0.8
1972	33.1	30.5	2.6
1973	37.4	37.1	0.3

[1] Based on the equation described in the text.

TABLE 21.--DOMESTIC DISAPPEARANCE OF FOOD AND NONFOOD FATS AND OILS, BY END PRODUCTS, TOTAL AND PER PERSON, YEAR BEGINNING OCTOBER BY QUARTERS, WITH COMPARISONS, 1970 TO DATE

YEAR AND QUARTER	UNIT	FOOD							NONFOOD				ALL PRODUCTS (FAT CONTENT)
		BUTTER (ACTUAL WEIGHT)	MARGARINE (ACTUAL WEIGHT)	LARD (DIRECT)	BAKING AND FRYING FATS (SHORTENING)	SALAD AND COOKING OILS	OTHER EDIBLE 1/	TOTAL (FAT CONTENT)	SOAP 2/	DRYING OILS 3/	OTHER 4/	TOTAL	
1970-71													
OCT.-DEC.:													
TOTAL	MIL. LB.	306	607	265	907	822	131	2,862	123	134	1,084	1,342	4,204
PER PERSON	LB.	1.5	3.0	1.3	4.4	4.0	.6	13.9	.6	.7	5.3	6.5	20.4
JAN.-MAR.:													
TOTAL	MIL. LB.	273	581	245	891	773	124	2,718	195	143	889	1,228	3,946
PER PERSON	LB.	1.3	2.8	1.2	4.3	3.7	.6	13.2	.9	.7	4.3	6.0	19.1
APR.-JUNE:													
TOTAL	MIL. LB.	257	536	197	829	825	123	2,608	205	151	1,007	1,363	3,971
PER PERSON	LB.	1.2	2.6	1.0	4.0	4.0	.6	12.6	1.0	.7	4.9	6.6	19.2
JULY-SEPT.:													
TOTAL	MIL. LB.	239	526	240	887	812	107	2,659	179	202	985	1,366	4,025
PER PERSON	LB.	1.2	2.5	1.2	4.3	3.9	.5	12.8	.9	1.0	4.8	6.6	19.4
SEASON:													
TOTAL	MIL. LB.	1,074	2,250	949	3,514	3,232	485	10,847	703	631	3,965	5,299	16,147
PER PERSON	LB.	5.2	10.9	4.6	17.0	15.6	2.3	52.5	3.4	3.1	19.2	25.6	78.2
1971-72													
OCT.-DEC.:													
TOTAL	MIL. LB.	300	622	197	882	831	125	2,776	104	129	1,103	1,336	4,112
PER PERSON	LB.	1.4	3.0	.9	4.2	4.0	.6	13.4	.5	.6	5.3	6.4	19.8
JAN.-MAR.:													
TOTAL	MIL. LB.	253	587	202	859	872	130	2,737	203	155	979	1,337	4,074
PER PERSON	LB.	1.2	2.8	1.0	4.1	4.2	.6	13.1	1.0	.7	4.7	6.4	19.6
APR.-JUNE:													
TOTAL	MIL. LB.	244	553	179	843	886	111	2,655	220	153	1,015	1,389	4,044
PER PERSON	LB.	1.2	2.7	.9	4.0	4.2	.5	12.7	1.1	.7	4.9	6.7	19.4
JULY-SEPT.:													
TOTAL	MIL. LB.	245	551	202	879	924	125	2,766	202	146	971	1,320	4,085
PER PERSON	LB.	1.2	2.6	1.0	4.2	4.4	.6	13.2	1.0	.7	4.6	6.3	19.5
SEASON:													
TOTAL	MIL. LB.	1,042	2,313	780	3,464	3,512	491	10,934	730	584	4,068	5,382	16,315
PER PERSON	LB.	5.0	11.1	3.7	16.6	16.9	2.4	52.4	3.5	2.8	19.5	25.8	78.3
1972-73 5/													
OCT.-DEC.:													
TOTAL	MIL. LB.	298	644	214	918	883	137	2,906	106	120	1,121	1,346	4,253
PER PERSON	LB.	1.4	3.1	1.0	4.4	4.2	.7	13.9	.5	.6	5.3	6.4	20.3
JAN.-MAR.:													
TOTAL	MIL. LB.	259	618	176	873	964	131	2,856	195	156	1,014	1,365	4,220
PER PERSON	LB.	1.2	2.9	.8	4.2	4.6	.6	13.6	.9	.7	4.8	6.5	20.1
APR.-JUNE:													
TOTAL	MIL. LB.	241	550	195	808	940	137	2,708	200	224	1,041	1,466	4,174
PER PERSON	LB.	1.1	2.6	.9	3.8	4.5	.6	12.9	1.0	1.1	5.0	7.0	19.8
JULY-SEPT.:													
TOTAL	MIL. LB.	232	534	157	831	899	116	2,627	161	191	938	1,289	3,917
PER PERSON	LB.	1.1	2.5	.7	3.9	4.3	.6	12.5	.8	.9	4.4	6.1	18.6
SEASON:													
TOTAL	MIL. LB.	1,030	2,346	742	3,430	3,686	521	11,098	662	691	4,114	5,466	16,564
PER PERSON	LB.	4.9	11.2	3.5	16.4	17.6	2.5	52.8	3.2	3.3	19.5	26.0	78.9
1973-74 5/													
OCT.-DEC.:													
TOTAL	MIL. LB.	280	651	185	901	978	125	2,931	172	103	992	1,267	4,199
PER PERSON	LB.	1.3	3.1	.9	4.3	4.6	.6	13.9	.8	.5	4.7	6.0	19.6
JAN.-MAR.:													
TOTAL	MIL. LB.	222	650	157	878	1,029	97	2,857	194	150	976	1,321	4,177
PER PERSON	LB.	1.1	3.1	.7	4.2	4.9	.5	13.5	.9	.7	4.6	6.2	19.8
APR.-JUNE:													
TOTAL	MIL. LB.												
PER PERSON	LB.												
JULY-SEPT.:													
TOTAL	MIL. LB.												
PER PERSON	LB.												
SEASON:													
TOTAL	MIL. LB.												
PER PERSON	LB.												

1/ INCLUDES ALL FOOD FATS AND OILS USED OTHER THAN BUTTER, LARD, MARGARINE, SHORTENING AND COOKING AND SALAD OILS.

2/ FAT EQUIVALENT OF SOAP USED IN SYNTHETIC RUBBER IS INCLUDED IN "OTHER INDUSTRIAL PRODUCTS". ADJUSTED FOR FOREIGN TRADE AND CHANGES IN STOCKS.

3/ PAINTS, VARNISHES, FLOOR COVERINGS, OILCLOTH, PRINTING INKS, CORE OILS, SYNTHETIC RESINS, INSULATION, LININGS, PACKINGS, COATED FABRICS, CAULKING AND OTHER PROTECTIVE COATINGS.

4/ INCLUDES USE OF FATS AND OILS IN CHEMICALS, LUBRICANTS AND GREASES, ANIMAL FEEDS, FATTY ACIDS, TIN AND TERNE PLATE, PHARMACEUTICALS, LEATHER, CANDLES, SYNTHETIC ORGANIC DETERGENTS, TOILET ARTICLES, AND MISCELLANEOUS INDUSTRIAL PRODUCTS.

5/ PRELIMINARY.

Table 22.--Fats and oils (including their products) and oilmeals: Production from domestic and imported materials, and factory and warehouse stocks at end of month

Item	Production						Stocks			
	October-April		1973	1974			1973	1974		
	1972-73	1973-74	April	February	March	April	April 30	Feb. 28	March 31	April 30
PRIMARY FATS AND OILS					--Million pounds--					
Food fats and oils										
Butter (creamery)	595.0	505.7	93.7	69.0	77.4	88.1	125.1	50.2	58.7	80.0
Lard (commercial)	798.0	753.0	100.0	89.0	114.0	113.0	49.1	45.4	53.3	55.7
Beef fats	310.1	322.8	33.5	37.1	47.4	46.8	28.3	33.7	37.2	34.0
Total edible animal fats	1,703.1	1,581.5	227.2	195.1	238.8	247.9	202.5	129.3	149.2	169.7
Corn oil	295.7	309.6	40.6	41.8	45.4	46.6	79.5	51.5	60.7	73.3
Cottonseed oil	1,082.7	1,070.9	141.8	150.2	160.4	144.1	220.6	177.9	198.8	200.1
Palm oil	---	---	---	---	---	---	81.6	46.7	35.1	45.4
Peanut oil	164.7	135.3	23.3	18.7	19.6	17.9	32.5	26.2	26.3	30.8
Soybean oil	4,871.6	5,320.4	618.3	751.5	809.0	750.8	1,004.8	642.4	626.0	727.3
Safflower oil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	26.6	12.1	14.6	11.0
Total edible vegetable oils	6,414.7	6,836.2	824.0	962.2	1,034.4	959.4	1,445.6	956.8	961.5	1,087.9
Soap fats and oils										
Tallow, inedible, and greases	2,679.7	2,733.0	312.3	343.5	398.3	395.5	336.3	407.9	389.8	393.2
Fish and marine oil 1/	30.1	33.1	5.5	1.0	1.0	6.6	47.0	37.8	36.6	35.0
Coconut oil	D	D	D	D	D	D	173.1	90.0	108.5	96.1
Total soap fats	2,709.8	2,766.1	317.8	344.5	399.3	402.1	556.4	535.7	534.9	524.3
Drying oils										
Castor oil 1/	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	20.8	16.9	22.5	22.7
Linseed oil	208.7	175.1	28.5	19.6	20.1	20.0	153.0	64.7	65.3	66.8
Tall oil	777.0	745.4	121.2	104.1	114.3	111.2	181.9	113.4	110.9	103.5
Tung oil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	35.1	21.4	21.7	18.8
Total drying oils	985.7	920.5	149.7	123.7	134.4	131.2	390.8	216.4	220.4	211.8
Grand total	11,813.3	12,104.3	1,518.7	1,625.5	1,806.9	1,740.6	2,595.3	1,838.2	1,866.0	1,993.7
From domestic materials	11,813.3	12,104.3	1,518.7	1,625.5	1,806.9	1,740.6	---	---	---	---
From imported materials	D	D	D	D	D	D	---	---	---	---
FAT AND OIL PRODUCTS										
Cooking and salad oils										
Total	2,253.4	2,440.8	306.2	343.8	372.1	337.4	92.6	79.5	101.1	88.5
Soybean	1,692.0	1,826.7	220.4	259.7	285.5	253.7	72.6	62.8	82.1	68.6
Other	561.4	614.1	85.8	84.1	86.6	83.7	20.0	16.7	19.0	19.9
Baking and frying fats (shortening)										
Total	2,097.8	2,136.7	275.3	290.1	305.6	280.7	136.8	118.3	146.0	156.8
100 percent vegetable oil	1,485.7	1,583.3	197.1	210.4	224.3	201.3	111.6	90.4	119.4	127.7
100 percent animal fats or blends of vegetable oil and animal fats	612.1	553.4	78.2	79.7	81.3	79.4	25.2	27.9	26.6	29.1
Margarine										
Total	1,454.4	1,515.0	184.3	205.7	213.4	191.0	66.6	63.0	74.4	76.1
Soft	360.0	392.1	48.4	55.4	55.5	47.4	---	---	---	---
One pound units	1,283.7	1,352.8	163.5	185.0	184.9	172.2	---	---	---	---
All other	170.7	162.2	20.8	20.7	28.5	18.8	---	---	---	---
Fatty acids	674.8	652.4	101.7	81.6	102.0	107.0	89.8	77.6	83.8	84.9
Glycerine (natural and synthetic)	206.9	216.7	28.2	28.3	33.1	33.5	47.3	44.8	50.2	47.6
Meat meal and tankage	2,066.7	2,148.1	258.8	269.9	304.5	311.4	---	---	---	---
OILSEED CAKE AND MEAL					--Thousand tons--					
Soybean (including hull meal)	10,890.3	11,703.7	1,363.3	1,657.7	1,786.1	1,646.5	213.5	281.1	361.6	347.9
Cottonseed	1,572.7	1,502.5	208.0	209.0	224.1	200.3	100.6	106.9	141.6	157.9
Linseed	198.7	165.7	25.5	18.0	18.1	18.6	10.0	16.1	16.0	15.6
Peanut	110.7	91.8	15.1	12.6	13.4	12.3	5.3	4.2	4.9	6.6
Copra	D	D	D	D	D	D	D	D	D	D
Other	D	D	D	D	D	D	D	D	D	D
Total oilmeals	12,772.4	13,463.7	1,611.9	1,897.3	2,041.7	1,877.7	329.4	408.3	524.1	528.0

1/Stocks include GSA stockpile.

N.A.--Not available.

D--Census disclosure.

Source: Bureau of the Census, except butter.

Table 23.--Imports and exports of fats, oils, oil-bearing materials, fat-and-oil products (in terms of oil), oilmeals and fishmeal

Item	Imports for consumption					Exports 1/				
	October-April		1974			October-April		1974		
	1972-73	1973-74	February	March	April	1972-73	1973-74	February	March	April
						Million pounds				
Food fats and oils										
Butter	2.0	55.7	.7	2/	.1	4.0	.9	.3	.1	.1
Lard	2/	---	---	---	---	89.2	77.7	13.8	11.3	8.4
Beef fats	.3	.2	2/	---	2/	15.9	25.7	8.7	5.6	4.6
Total, edible animal fats	2.3	55.9	.7	2/	.1	109.1	104.3	22.8	17.0	13.1
Corn oil	2/	2/	---	---	---	12.2	12.0	1.7	1.1	3.6
Cottonseed oil	.2	---	---	---	---	356.1	305.0	79.4	54.7	56.3
Cottonseed (17 percent)	---	---	---	---	---	2.6	15.3	6.3	3.4	.3
Olive oil, edible	26.6	29.4	4.0	3.9	3.7	---	---	---	---	---
Palm oil	205.5	173.3	18.8	19.7	22.0	18.7	19.5	.4	7.8	3.2
Peanut oil	2/	2/	2/	---	2/	57.0	31.0	6.5	3.6	4.4
Peanuts, shelled (43.5 percent)	---	---	---	---	---	59.6	40.8	7.5	12.2	9.9
Soybean oil	2/	2/	---	---	2/	651.6	672.4	124.9	104.7	156.2
Soybeans (18.3 percent)	2/	2/	2/	2/	2/	4,095.6	4,472.5	627.0	659.0	682.3
Safflower seed (36 percent)	---	---	---	---	---	21.9	22.8	2/	.2	---
Sunflower seed (45 percent)	2/	2/	2/	2/	2/	3/	3/	3.2	.3	.3
Other vegetable oils	16.7	17.1	5.4	2.7	2.0	2.9	3.8	.6	.6	.6
Total, edible vegetable oils	249.0	219.8	28.2	26.3	27.7	5,278.2	5,595.1	857.5	847.6	917.1
Soap fats and oils										
Tallow, inedible	3.2	7.0	.7	2.0	.8	1,332.0	1,398.9	196.9	248.1	232.4
Greases	.2	2/	2/	2/	2/	62.6	84.0	3.9	16.2	20.1
Fish and fish liver oils non-medicinal	2.9	2.4	.3	.3	.4	107.6	94.0	2.8	.7	.6
Marine mammal oils	2/	2/	---	---	---	---	---	---	---	---
Olive oil, inedible	.1	.2	---	2/	.1	---	---	---	---	---
Total, slow-lathering oils	6.4	9.6	1.0	2.3	1.3	1,502.2	1,576.9	203.6	265.0	253.1
Babassu oil	---	15.2	8.8	3.4	2.3	---	---	---	---	---
Coconut oil	444.7	328.8	25.3	45.0	48.2	4.5	12.8	.8	1.5	3.0
Copra (64 percent)	181.8	92.6	---	14.6	---	---	---	---	---	---
Palm kernel oil	54.3	79.1	14.0	10.4	12.3	---	---	---	---	---
Total, lauric-acid oils	680.8	515.7	48.1	73.4	62.8	4.5	12.8	.8	1.5	3.0
Drying oils										
Flaxseed (36.1 percent)	2/	6.6	.2	1.6	3.2	103.6	11.0	.8	1.1	4.3
Linseed oil	2/	2/	2/	2/	2/	155.4	58.7	10.7	3.7	3.1
Oiticica oil	1.7	6.3	.6	---	3.1	---	---	---	---	---
Tall oil	---	---	---	---	---	84.9	138.9	18.4	26.4	32.0
Tung oil	13.9	6.0	---	2.1	1.4	1.1	.4	2/	.1	2/
Total	15.6	18.9	.8	3.7	7.7	345.0	209.0	29.9	31.3	39.4
Other industrial oils and fats										
Castor oil	51.9	77.2	9.5	16.6	6.5	---	---	---	---	---
Fish-liver oils, medicinal	4.3	5.5	1.3	.6	.8	---	---	---	---	---
Rapeseed oil	7.7	7.4	.3	1.1	1.7	---	---	---	---	---
Wool grease	5.0	4.7	.4	.6	.8	---	---	---	---	---
Other vegetable oils and fats, inedible	5.4	5.8	.6	1.3	.8	100.1	64.8	3.9	15.4	13.2
Total	74.3	100.6	12.1	20.2	10.6	100.1	64.8	3.9	15.4	13.2
Products										
Margarine (fat content)	---	---	---	---	---	1.7	2.1	.3	.3	.4
Shortening	---	---	---	---	---	14.4	23.9	4.3	5.1	4.2
Salad products (fat content)	---	---	---	---	---	6.1	7.8	1.1	2.0	.9
Soap (fat content)	1.8	1.9	.1	.1	.2	6.5	16.7	1.8	1.3	2.0
Fatty acids	7.6	9.8	.6	1.7	1.4	58.9	57.4	8.5	7.2	8.1
Total	9.4	11.7	.7	1.8	1.6	87.6	107.9	16.0	15.9	15.6
Grand total	1,037.8	932.2	91.6	127.7	111.8	7,426.7	7,670.8	1,134.5	1,193.7	1,254.5
Protein products										
Soybean flour and meal	---	---	---	---	---	257.5	199.7	32.5	29.8	35.0
Other oilseed flour and meal	---	---	---	---	---	4/83.8	132.6	22.9	12.0	10.1
Vegetable protein	---	---	---	---	---	5/	5/	1.4	1.0	1.2
Other protein substances	---	---	---	---	---	7.3	9.5	.6	.4	.2
Total	---	---	---	---	---	348.6	341.8	57.4	43.2	46.5
Glycerine	.5	1.7	.2	.4	.6	33.2	36.1	5.7	3.8	10.3
Oilseed Cake and Meal:						Thousand tons				
Soybean	---	---	---	---	---	3,185.9	3,426.9	551.1	574.5	532.2
Cottonseed	2.7	3.6	.4	.4	.2	4.4	55.5	11.7	1.6	5.6
Linseed	1.7	---	---	---	---	89.8	70.8	10.1	1.7	2.6
Copra	---	---	---	---	---	---	---	---	---	---
Corn	---	---	---	---	---	.5	34.9	4.3	.1	.7
Other	11.8	17.6	3.0	2.2	1.9	36.7	69.2	19.1	6.9	6.7
Total oilmeals	16.2	21.2	3.4	2.6	2.1	3,317.3	3,657.3	596.3	584.8	547.8
Fishmeal	52.9	7.6	1.0	1.5	2.1	17.3	41.3	8.8	1.1	3.9

1/Includes re-exports and foreign donations but not shipments to U.S. territories.
2/Less than 50,000 pounds.
3/Not reported separately before January 1974.
4/Data not available before January 1973.
5/Combined with other protein substances. Not reported separately before January 1974.

Table 24.--Index numbers of wholesale prices of fats and oils 1/

Item	1967=100				
	April		1974		
	1972	1973	February	March	April
All fats and oils	112	129	200	187	179
All fats and oils, except butter	118	166	318	317	309
Grouped by origin:					
Animal fats	113	141	206	216	212
Vegetable oils, domestic	117	142	290	248	237
Vegetable oils, foreign	88	159	382	454	509
Grouped by use:					
Butter	101	N.A.	96	102	107
Lard	134	192	346	352	294
Lard, refined	113	153	263	243	239
Food fats other than butter	124	159	305	278	255
Food fats other than butter and lard	120	147	290	251	241
All edible fats and oils	112	142	236	235	233
Soap fats	112	180	338	378	397
Drying oils	94	154	312	312	298
Other industrial	105	173	342	362	354
All industrial	109	176	334	368	382
Edible vegetable oils, grouped by degree of processing:					
Crude	119	145	288	246	235
Refined	121	136	267	236	225
End products	121	126	193	206	192
Margarine	122	123	167	177	177
Shortening, 3 lb. tin	122	128	162	199	201
Shortening, 440 lb. drum	118	129	244	244	193

1/ The year 1967 has been established as the new standard reference base period for general purpose index numbers prepared by Federal agencies. Index numbers based on 1967=100 were converted from the indexes based on 1957-59=100 previously published in this report.

Table 25.--Prices received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals

Item	Unit	May		1974		
		1972	1973	March	April	May
		-- Dollars --				
OILSEEDS						
Copra, Philippines, c.i.f. Pacific Coast	Short ton	---	---	---	---	---
Cottonseed, United States average	Short ton	---	---	100.00	---	---
Flaxseed, No. 1, Minneapolis	Bushel	2.80	5.12	11.29	9.87	8.67
Flaxseed, United States average	Bushel	2.49	4.44	10.80	9.27	8.83
Peanuts, United States average (farmers' stock)	100 lb.	---	---	---	---	---
Peanuts, Virginias' No. 1, shelled, Va.-N.C. 1/	100 lb.	25.00	26.25	30.90	30.83	30.67
Peanuts, Runners No. 1, shelled, Southeast 1/	100 lb.	24.75	26.12	31.75	31.75	31.20
Peanuts, Spanish No. 1, shelled, Southeast 1/	100 lb.	24.88	26.12	32.21	34.50	34.65
Peanuts, Spanish No. 1, shelled, Southwest 1/	100 lb.	25.00	26.38	35.50	34.90	34.88
Soybeans, No. 1, Yellow, Chicago	Bushel	3.49	8.99	6.23	5.56	5.42
Soybeans, No. 1, Yellow, Illinois country shipping points	Bushel	3.47	8.94	6.29	5.59	5.47
Soybeans, United States average	Bushel	3.35	8.27	5.96	5.15	5.21
OILMEALS (bulk)						
Copra meal, 20 percent protein, Los Angeles	Short ton	80.00	95.00	---	---	---
Cottonseed meal, 41 percent protein, Memphis	Short ton	72.25	207.80	109.30	93.60	94.25
Cottonseed meal, 41 percent protein, Chicago	Short ton	84.90	---	---	---	---
Cottonseed meal, 41 percent protein, Atlanta	Short ton	80.80	214.10	119.70	100.80	102.50
Cottonseed meal, 41 percent protein, Ft. Worth	Short ton	81.30	200.60	122.40	100.70	95.40
Fish meal, 60 percent protein, bagged, New York 2/	Short ton	181.80	465.00	405.00	337.00	276.25
Fish meal, 60 percent protein, bulk, Los Angeles 3/	Short ton	142.80	390.00	357.50	320.90	310.80
Linseed meal, 34 percent protein, Minneapolis	Short ton	74.50	181.80	135.75	107.70	90.00
Linseed meal, 34 percent protein, New York	Short ton	---	---	---	---	---
Peanut meal, 50 percent protein, f.o.b. Southeastern mills	Short ton	96.00	---	---	---	---
Safflower meal, 20 percent solvent, San Francisco	Short ton	36.00	71.00	92.00	93.00	---
Soybean meal, 44 percent protein, Chicago	Short ton	101.40	321.20	154.20	124.30	116.30
Soybean meal, 44 percent protein, Decatur	Short ton	95.30	314.60	147.10	117.20	109.25
Soybean meal, 44 percent protein, Atlanta	Short ton	103.00	319.30	119.20	127.30	117.50
Soybean meal, 44 percent protein, Memphis	Short ton	95.00	314.10	152.75	120.00	108.60
Soybean meal, 50 percent protein, Decatur 4/	Short ton	103.30	346.60	160.40	130.40	120.00
Soybean meal, 50 percent protein, Memphis 4/	Short ton	106.80	344.60	166.50	132.80	123.30
Soybean meal, 50 percent protein, Atlanta 4/	Short ton	112.20	347.90	170.40	141.40	130.80

1/ This price applies to peanuts for edible uses. 2/ Beginning July 1971, quoted as 65% protein, East Coast. 3/ Beginning January 1972, quoted as 65% protein. 4/ 49 to 50% protein. N.A.--Not available.

Compiled from Chemical Marketing Reporter (formerly OPD Reporter), Wall Street Journal. Wash. edition, reports of the Statistical Reporting Services, and the Consumer Marketing Service.

Table 26.--Wholesale and retail prices per pound for fats and oils

Item	May 1972	May 1973	1974 March	1974 April	1974 May
	-- Cents --				
Wholesale Prices					
Butter, creamery, Grade A, (92-score) bulk, New York	68.8	62.0	70.1	70.3	62.2
Butter, creamery, Grade A, (92-score) bulk, Chicago	67.7	61.0	68.1	68.2	60.5
Butter, creamery, Grade A, (92-score) prints, San Francisco	83.3	77.9	64.7	66.7	59.2
Castor oil, dehydrated, tanks, New York	29.0	N.A.	N.A.	N.A.	N.A.
Castor oil, No. 1, Brazilian, tanks, imported, New York	19.8	65.0	47.5	47.0	47.0
Coconut oil, crude, tank cars, Pacific Coast, 1/	10.1	20.0	60.5	N.A.	60.0
Coconut oil, crude, tanks, f.o.b. New York	10.9	21.0	67.8	69.2	65.1
Coconut oil, refined, tanks, l.c.l., New York	12.3	22.2	30.4	30.4	N.A.
Cod oil, spot, drums, New York	11.8	11.5	18.0	18.0	18.0
Codliver oil, medicinal, U.S.P., barrels, New York	24.4	24.7	24.7	24.7	24.7
Corn oil, crude, tank cars, f.o.b. Midwest mills	17.5	19.0	39.5	33.0	38.5
Corn oil, crude, tanks, New York	N.A.	N.A.	N.A.	N.A.	N.A.
Corn oil, refined, tanks, New York	18.3	22.8	46.0	38.8	41.8
Cottonseed oil, crude, tank cars, f.o.b., S.E. mills	12.1	N.A.	31.5	35.0	37.0
Cottonseed oil, crude, tank cars, f.o.b., Valley	12.4	17.8	33.0	35.1	36.8
Cottonseed oil, crude, tank cars, f.o.b., Texas	12.0	N.A.	N.A.	N.A.	N.A.
Cottonseed oil, refined, tanks, New York	16.7	21.5	36.9	39.0	40.1
Degras, Lanolin technical, drums, New York	53.0	52.0	53.0	N.A.	N.A.
Glycerine, synthetic, refined, 99.5%, tanks, delivered, New York	---	---	---	---	---
Glycerine, natural, refined, USP. 99%, tanks, delivered, New York	22.6	22.6	22.6	22.6	22.6
Grease, A white, tank cars, delivered Chicago	7.0	14.5	22.0	21.0	20.4
Grease, B white, delivered, Chicago	6.1	13.8	19.6	18.9	18.3
Grease, yellow, delivered, Chicago	6.3	13.3	19.0	18.6	N.A.
Grease, white, choice, tanks, New York	7.2	14.7	21.4	20.6	20.2
Grease oil, extra No. 1, drums, Chicago 2/	15.2	15.2	25.0	25.0	25.0
Lard, loose, tank cars, Chicago	10.4	16.1	27.0	23.0	23.0
Lard, prime steam, tierces, Chicago	10.4	16.8	28.1	24.6	22.4
Lard, refined, one and two pound prints, Chicago	15.4	22.0	33.0	32.5	27.8
Lard, refined, carlots, 50-lb. tins, Chicago	N.A.	N.A.	N.A.	N.A.	N.A.
Linseed oil, raw, tank cars, Minneapolis	8.8	14.0	42.6	45.0	45.0
Linseed oil, raw, tanks, New York	10.4	15.4	46.1	46.7	46.0
Margarine, colored, delivered, Eastern U.S.	31.3	32.4	45.5	45.5	46.2
Margarine, yellow, quarters, f.o.b., Chicago	23.8	26.6	39.8	46.6	44.4
Margarine, white, domestic vegetable, Chicago	22.5	25.9	43.2	42.5	40.4
Menhaden oil, crude, tanks, f.o.b., Baltimore	6.3	10.5	11.5	N.A.	N.A.
Menhaden oil, light pressed, tanks, New York	10.5	10.2	13.0	13.0	13.0
Oiticica oil, drums, f.o.b., New York	18.5	16.9	27.3	31.0	32.0
Oiticica oil, tanks, New York	16.5	14.9	24.5	28.0	29.0
Olive oil, imported, edible, drums, New York	42.7	42.7	86.7	N.A.	N.A.
Palm oil, clarified, drums, f.o.b., New York	14.8	15.0	42.0	42.0	42.0
Palm oil, Congo, tank cars, f.o.b., New York	11.3	9.8	N.A.	N.A.	N.A.
Peanut oil, crude, tank cars, f.o.b. S.E. mills	18.0	20.2	47.3	44.9	46.8
Peanut oil, refined, tanks, New York	21.3	23.0	49.8	48.5	49.8
Rapeseed oil, refined (denatured), tanks, New York	---	---	---	---	---
Safflower oil, tanks, New York	---	---	---	---	---
Safflower oil, edible, drums, New York	---	---	---	---	---
Sesame oil, refined, drums, New York	39.0	39.0	55.2	77.6	85.0
Shortening, all vegetable, hydrogenated, 440-lb. drums, New York	24.5	29.1	50.7	40.0	58.7
Shortening, all vegetable, hydrogenated, 3 lb. tins, delivered, Eastern U.S.	32.0	34.4	52.2	52.7	52.1
Soybean oil, crude tank cars, f.o.b., Decatur	11.4	17.1	30.2	28.2	29.4
Soybean oil, refined, tanks, New York	13.0	18.3	33.1	29.7	31.0
Soybean oil, clarified, tanks, New York	---	---	---	---	---
Sperm oil, natural 45°, drums, New York	---	---	---	---	---
Sperm oil, bleached, winter 45°, drums, New York	---	---	---	---	---
Tall oil, crude, tanks, works	---	---	---	---	---
Tall oil, refined, tanks, works	---	---	---	---	---
Tallow, edible, loose, Chicago	10.5	17.0	25.0	24.5	22.0
Tallow, inedible, packers' prime, c.a.f. delivered, Chicago	6.5	14.3	20.5	19.4	19.3
Tallow, inedible, bleachable fancy, delivered, Chicago	6.7	15.0	22.4	20.8	20.5
Tallow, No. 1, inedible, delivered, Chicago	6.0	13.4	18.9	18.0	17.8
Tallow, special, inedible, tanks, delivered, New York	6.2	N.A.	N.A.	N.A.	N.A.
Tung oil, imported, drums, f.o.b., New York	15.5	17.1	39.0	39.0	38.3
Tung oil, imported, tanks, New York	11.0	16.4	36.4	36.0	35.5
Tung oil, domestic, tanks, f.o.b. mills	N.A.	N.A.	N.A.	N.A.	N.A.
Retail prices 3/					
Butter	87.1	85.3	95.4	95.8	94.1
Margarine	33.2	34.0	51.3	53.3	53.8
Shortening	32.6	34.0	53.1	57.3	57.2
Salad Dressing (Italian)	82.0	82.6	90.2	91.6	93.4
Peanut Butter	67.4	68.9	75.6	77.6	78.9
Cooking and Salad oils	43.2	44.3	63.7	68.1	67.9

N.A.--Not available.

1/ Includes 1 cent import duty.

2/ Beginning June 1971, quoted as lard oil, No. 1, New York.

3/ Leading cities.

Speeches and Articles Available Pertaining to Fats and Oils

A free copy of the following releases may be obtained from the ERS Division of Information, Rm. 0054 South Building, U.S. Department of Agriculture, Washington, D. C. 20250:

"An Economic View of Soybeans and Food Fats in the 1980's" by George W. Kromer. Speech before the Institute of Shortening and Edible Oils, Inc., Scottsdale, Arizona, March 16,1973.

"U.S. Soybean Economy in the 1980's" by George Kromer. Reprint from Fats and Oils Situation, FOS-267, April 1973, ERS-518.

"Economic Situation and Outlook for Tallow and Palm Oil in the United States" by George W. Kromer. Paper presented before the American Oil Chemists' Society Symposium on Recent Advances in Lipid Based Surfactants, New Orleans, Louisiana, May 1, 1973.

"Economic Situation and Outlook for Edible Vegetable Oils in the United States" by George W. Kromer. Speech before the Potato Chip Institute International in Huron, Ohio, June 11, 1973.

"Food Fat Consumption: More Now and in the Future" by George W. Kromer. Paper presented at the Symposium on Fats and Carbohydrates in Processed Foods, sponsored by the American Medical Association, Regency Hyatt, Chicago, Illinois, October 1, 1973. 27 pages including Statistical Appendix.

"Outlook for Oilseeds, Fats and Oils" by George W. Kromer. Speech at the 1974 National Agricultural Outlook Conference, Washington, D. C., December 19, 1973.

"U.S. Food Fat Consumption Trends" by George W. Kromer. Reprint from Fats and Oils Situation, FOS-272, April 1974, ERS-552.

"Regional Soybean Acreage Response Analysis and Projections for 1974" by R. Samuel Evans and David E. Kenyon. Reprint from Fats and Oils Situation, FOS-272, April 1974, ERS-553.

"Economic Aspects of the Vegetable Oils and Fats Industry in the United States" by George W. Kromer. Paper presented at the International Trade and Development Conference, United Nations Economic Commission for Asia and the Far East (ECAFE) at the Battelle Seattle Research Center, Seattle, Washington, June 10, 1974. 33 pages including Statistical Appendix.

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